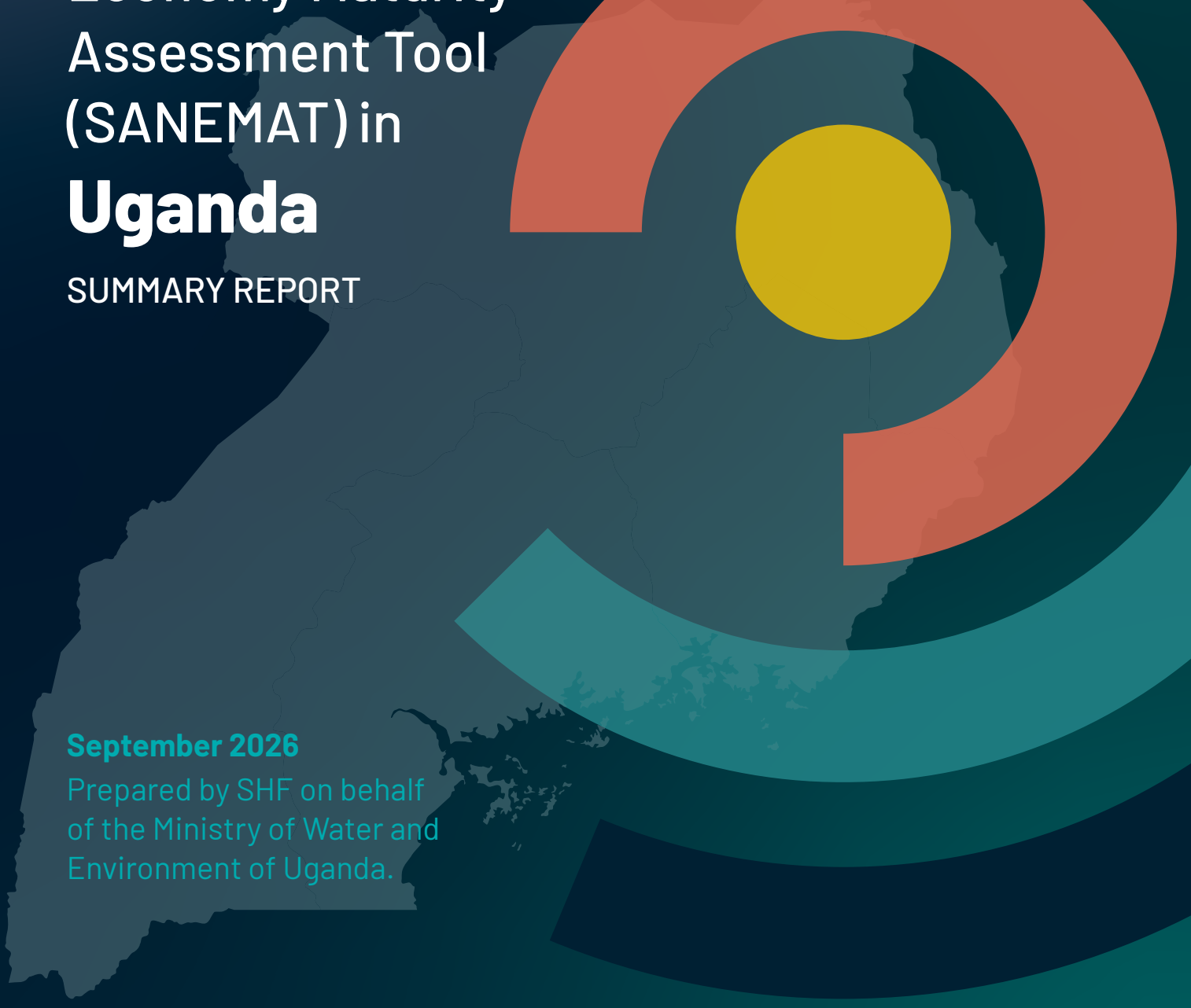
SHF
The Sanitation & Hygiene Fund

Implementation of the Sanitation Economy Maturity Assessment Tool (SANEMAT) in **Uganda**

SUMMARY REPORT



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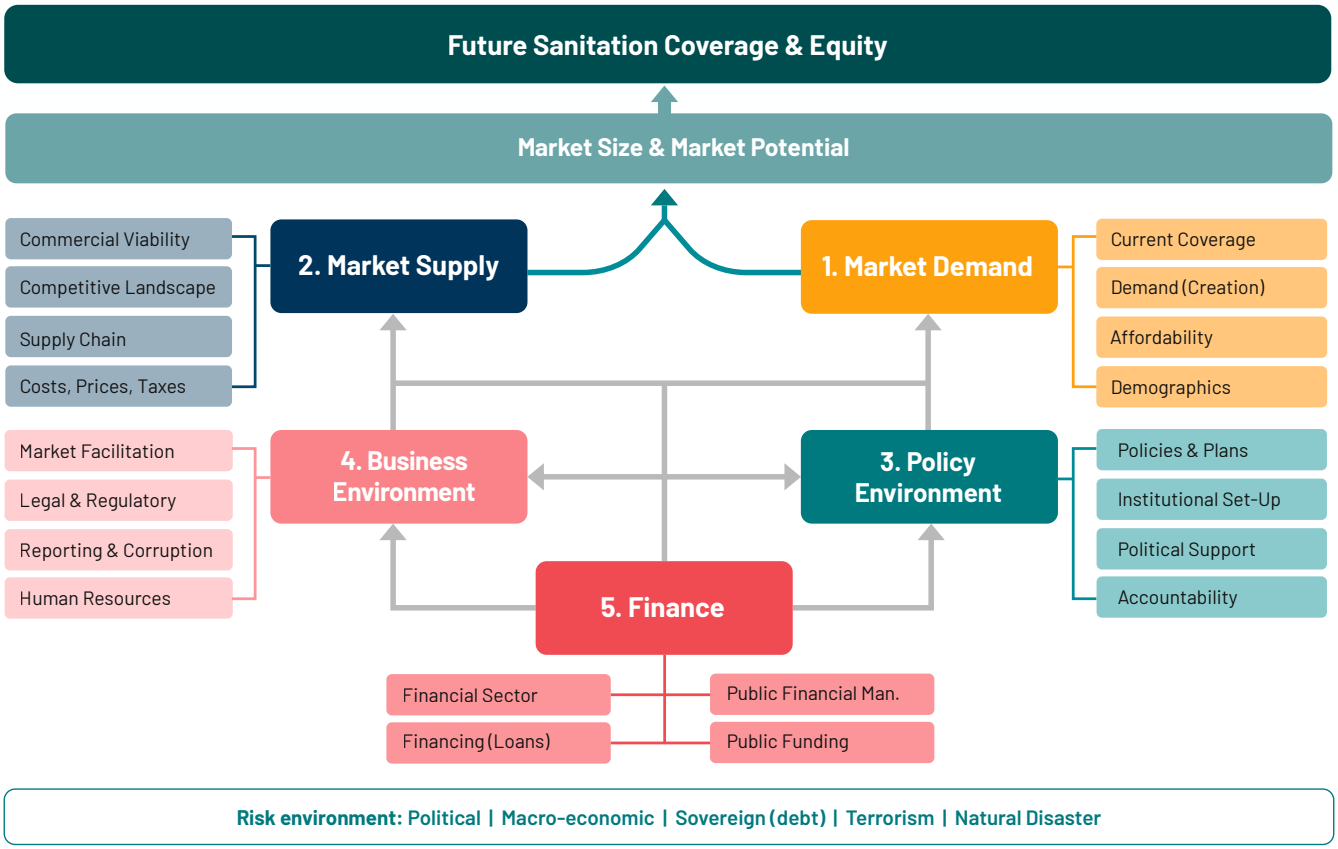
Executive Summary

The current size of the non-sewered sanitation (NSS) market in Uganda is a tiny fraction of what it could be, with only 24% of the Ugandan population using basic sanitation of which 20% using safely managed sanitation services. The NSS market could be a multiple of its current value, worth US$9 billion in 2030. However, the NSS market in Uganda has not achieved its potential for a variety of reasons, including low public allocations to sanitation, weak demand and lack of affordability for households, the riskiness of private investments, and the high interest rates for borrowing by households and small- and medium-sized enterprises.

The Sanitation Economy Maturity Assessment Tool (SANEMAT) aims to understand the current strength and size of the NSS market, as well as factors enabling and hindering investments in NSS. Its five pillars and twenty sub-pillars cover not only market supply and market demand, but also several aspects of the enabling environment which determine the market and reflecting policy, business incentive and finance perspectives (see Figure A). Based on a comprehensive diagnosis, the SANEMAT aims to inform key priority actions of different stakeholders to strengthen the sanitation economy, with a focus on NSS.

Figure A. SANEMAT framework including 5 pillars and 20 sub-pillars



Uganda is one of the first countries to implement the SANEMAT, being applied at both national and district levels (Kabarole district) in 2025. Data were collected for 218 indicators from a variety of available global and national datasets, as well as key informants, surveys and published studies. The empirical findings, conclusions and recommendations were consulted with a range of stakeholders prior to publication.

Overall, the assessment concludes that Uganda has a moderate maturity level in the NSS market. The average demand-side score of 1.8/5.0 varies from 1.6 in rural to 2.0 in urban areas. The average supply-side score is higher at 3.0/5.0, varying from 2.4 in rural to 3.4 in urban areas. Overall, the score is 2.9/5.0, ranging from 2.3/5.0 in rural areas to 3.3/5.0 in urban areas. Hence the NSS market is more mature in urban areas, and on market supply.

The preliminary recommendations, which require further elaboration, are as follows:

To strengthen the **market demand pillar,** the following key actions are recommended:

1. Collect market data and conduct regular market assessments, to better understand the needs, preferences, willingness to pay and current spending for different market segments.
2. Develop or refine tailored strategies to reach different market segments to address the constraints and seize on the opportunities presented.
3. Reinvigorate national sanitation campaigns with increased budgets and innovative, cost-effective approaches incorporating both financial and non-financial incentives.
4. Provide or enhance pro-poor financing mechanisms and subsidies to meet latent demand and pay for upfront capital costs of a toilet, to leave no one behind.

To strengthen the **market supply pillar,** the following key actions are recommended:

1. Maintain an up-to-date listing of sanitation enterprises, to better understand the market landscape and growth potential.
2. Analyse the incentives and disincentives for sanitation enterprises to expand their services to new or existing customer segments or geographical areas.
3. Implement supply chain strengthening to increase the manufacture and availability of low-cost products, especially in remote areas and low-income market segments.
4. Support product and service innovation to provide quality, attractive sanitation solutions at affordable prices for both toilets and emptying services.

To strengthen the **policy environment pillar,** the following key actions are recommended:

1. Increase NSS political buy-in and financial prioritization, to enable mandated institutions to effectively play their leadership role and to engage the private sector.
2. Harmonise and strengthen M&E systems and market data platforms to track demand, service delivery, and infrastructure use.
3. Strengthen governance for private sector engagement, including a formal and resourced industry coordination platform for NSS.

To strengthen the **business environment pillar,** the following key actions are recommended:

1. Strengthen and streamline regulation and standardization for NSS across the service chain, with differential requirements based on the sizes and capacities of sanitation enterprises.
2. Develop and incentivise PPP arrangements, including procurement guidelines and options for maintenance and service contracting models.
3. Provide or support affordable NSS businesses development services and incentivise the formalisation of sanitation businesses
4. Develop human resources for sanitation, including incentives to attract and retain a skilled, gender-balanced workforce.

To strengthen the **finance pillar,** the following key actions are recommended:

1. Improve planning and budget implementation capacity to ensure public funds are used efficiently and equitably, with improved national-county coordination.
2. Develop a resource mobilization strategy, including exploring alternative potential sources of public funds and value from reuse of sanitation products.
3. Incentivise investments by the private sector through engaging with investors, tariff revisions (with equity safeguards) and an up-to-date investment-ready project pipeline.

To implement these recommendations and monitor their achievement, the SANEMAT needs to be anchored in government and linked to planning and budgeting cycles. The opportunities offered by the SANEMAT, and information needs, should be disseminated widely. Sanitation and financing stakeholders need to support government in its leadership role, contributing innovation, technical assistance, influence and funds. As well as national level, an adapted (reduced) form of the SANEMAT implemented at county level will considerably increase its impact.

Introduction

The 'sanitation economy' encompasses different parts of the sanitation value chain to achieve 'safely managed sanitation' adopted by the United Nations Sustainable Development Goals (SDGs) and monitored under SDG Target 6.2. Non-sewered sanitation (NSS) encompasses the toilet, containment, emptying, transport, and treatment, followed by either disposal or reuse.

BOX 1. WHAT IS THE SANITATION ECONOMY?

For a ***sustainable*** sanitation service, the sanitation economy includes not only capital expenditure on infrastructures, vehicles and equipment, but also maintenance, repair, renovation, cleaning, behaviour change activities, and programmatic support. The ***'circular' sanitation economy*** includes value-providing products such as biogas, electricity and compost, and potentially reduces greenhouse gas emissions. The ***'smart' sanitation economy*** includes sensor and smart technologies, data analytics and mobile applications. In addition, the sanitation economy includes consumables such as toilet paper, soap, hand sanitizer and detergent.

The current size of the sanitation economy in Uganda is only a tiny fraction of what it could be, with only 24% of the Ugandan population using basic sanitation of which 20% using safely managed sanitation services. A similar proportion (24.6%) have a handwashing station with soap and water at home ('basic' hygiene). The estimated size of the sanitation economy varies by source, given there are different ways to estimate the market size and using different unit cost estimates (see Box 1). The Sanitation & Hygiene Fund estimates US$5.8 billion in 2022, with the potential to grow 7% per year to US$9.2 billion in 2030.[1]

A key question is "Why has the sanitation economy in Uganda not achieved its potential?" Current investment in sanitation is limited because of low public allocations to sanitation and because private investments appear risky, due to the need for large upfront capital expenditures whether it is a household investing in a toilet or a business investing in a vacuum truck or septage treatment plant. The high interest rates, the lack of guarantees for lenders, and various risks and uncertainties in Uganda also jeopardise private investments in sanitation[2]. Furthermore, households often do not want to spend on sanitation or hygiene because they do not see the value or do not have the disposable income. Indeed, the reasons why the sanitation economy has not reached its potential are many and interwoven, and hence it is difficult to unravel all these factors without a solid framework and credible data.

To help understand these constraints as well as opportunities, the Sanitation Economy Maturity Assessment Tool (SANEMAT) has been developed and applied in Uganda. In the tool title, the sanitation 'economy' represents more than just the market size, but it reflects the processes and systems by which goods and services are produced, sold, and bought. It therefore encompasses all aspects that affect the demand for and supply of sanitation goods and services, which include policies, regulations, financial management, market facilitation mechanisms, household incomes and the impact of the broader social, economic and physical environments (see Annex 1 for background data on Uganda).

1 "Sanitation economy estimates: Uganda 2022." Sanitation & Hygiene Fund.

2 Several of these risks are covered by SANEMAT indicators (e.g., political, macro-economic & disaster risks).

Therefore, the determinants of supply and demand need to be better understood, and the pathways by which they affect sanitation outcomes disentangled, so that interventions can be defined and implemented to strengthen the demand for and provision of sanitation services, both affordably and sustainably. Given sanitation services and products need to reach every household in Uganda, it is important to understand the sanitation economy at different levels, hence the SANEMAT can be implemented at national, at District and also at City level.

The goal of the SANEMAT is to support the development of a healthy, thriving and sustainable sanitation economy. To achieve this goal, it provides a common, credible methodology for stakeholders to understand the status of the sanitation economy. Based on that understanding, it aims to inform key priority actions of different stakeholders to strengthen the sanitation economy. Key stakeholders are engaged at various stages of SANEMAT implementation, thereby supporting the participation of sanitation businesses, suppliers, investors and funders. As well as scoring of different indicators, it is important to interpret these scores in terms of how mature the sanitation market is and how investment-ready the sanitation market is. 'Maturity' reflects how close the market is to its potential size. 'Investment readiness' reflects how close the current market is to investments having a financial return (for private investors) or a socio-economic return (for public investors)(see Box 2).

BOX 2. UNDERSTANDING SANITATION ECONOMY 'MATURITY' AND 'INVESTMENT READINESS'

'Maturity' is most widely understood with reference to the four stages of the product lifecycle: introduction, growth, maturity and decline. A multi-dimensional understanding of 'maturity' is needed to make the SANEMAT actionable. One key aspect of maturity is the extent to which demand has been satiated, where high satiation = mature market. Another key aspect of maturity is the extent to which the factors supporting a mature market are present, such as suppliers of products and services, the policy environment, the business environment, and the finance environment.

'Investment readiness' is the extent to which sanitation is investable based on factors that include: the extent to which sanitation is a public priority; the potential size of the sanitation market (or market segment); the extent of cost recovery or return on investment; the positive policy and regulatory environment; and the presence of other features in the business environment that facilitate or constrain an investor or provider of sanitation products and services.

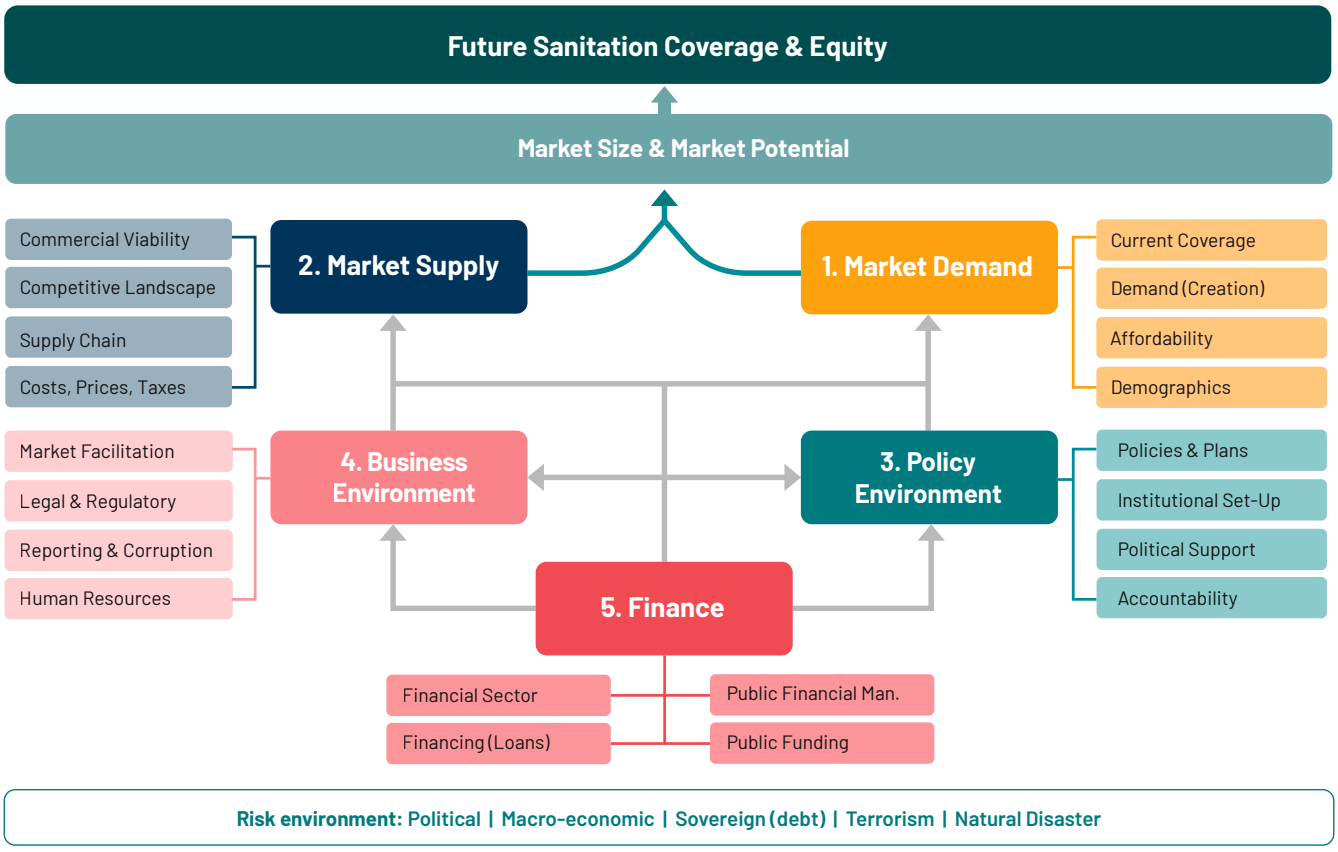
To be impactful, the priority actions should be integrated into the plans and budgets of governments and development partners, with coordination between them. The SANEMAT should be applied periodically to track progress over time and identify new actions or propose course corrections. If used by a growing number of sector agencies, it will lead to a common language and understanding of the sanitation economy, which will be of considerable benefit to coordinated efforts to strengthen the sanitation economy.

Approach

The SANEMAT has been developed in consultation with over 50 international organisations working in sanitation and market development. In selecting the SANEMAT pillars and indicators, it draws on 39 different frameworks which have been used to characterise the sanitation enabling environment or assess the sanitation market[3].

The SANEMAT adopts a comprehensive approach while attempting to maintain simplicity and user-friendliness. It defines five main pillars, with four sub-pillars each (see Figure 1). It contains a total of 218 indicators, ranging from 5 to 19 indicators per sub-pillar (see Annex 2). Of these, 57 indicators were considered as being priority for determining the sanitation economy. Relationships between the pillars and sub-pillars are assessed using these indicators, and their role identified in determining market size and eventual impact on sanitation coverage. The pilot version which has been applied in Uganda will undergo some revision prior to its roll out.

Figure 1. SANEMAT framework including 5 pillars and 20 sub-pillars



3 "Review of frameworks for assessing the sanitation economy, market, and enabling environment in developing economies." Sanitation & Hygiene Fund. 2025. (Link). Since publication, several additional frameworks have been identified and reviewed, included in: Hutton G, Coates S. Review of Frameworks for Assessing the Strength of the Sanitation Economy and Investment Readiness. Int J Environ Res Public Health. 2025 Dec 15;22(12):1868.

The implementation of the SANEMAT in Uganda followed a highly consultative and participatory process, involving actors at both national and sub-national level, with the selection of Kabarole District as the pilot district, with Fort Portal as its capital[4]**.** Prior to data collection, stakeholders at national and district levels were sensitized and endorsements received from key government agencies.

Data were available for 116 indicators from global data sources which included UN-Water GLAAS for Uganda (2024/5 report), WHO/UNICEF Joint Monitoring Programme (2025 report), World Bank Open Data, and a range of individual initiatives generating data or indices (e.g., World Bank's Worldwide Governance Indicators, UN-Water WASH Accounts).

Data collection for the remaining 102 indicators involved a desk review, online surveys, and participatory meetings. The desk review covered key documents such as policies, legislation, development plans, budget reports, and other sector materials. Online surveys were administered through SurveyMonkey™, an online survey platform[5], and targeted purposively selected sanitation stakeholders at national (13 respondents) and sub-national level (6 respondents), sanitation enterprises (18 respondents) and micro-finance institutions and banks (6 respondents).

Data were collected for all indicators in their original form (currency, percentages or scaled values), and converted to a 6-point scale (0 to 5), as illustrated with the following examples:

- Global indices are converted to a score out of 5.0 based on Uganda's performance in relation to the best and worst performing countries.
- UN-Water GLAAS data are converted to a score out of 5.0 based on the scores of one or several GLAAS indicators that make up a single SANEMAT indicator.
- Monetary values (e.g., GDP per capita, market size) or population size, and their growth, were scored based on comparison with average values from middle-income countries.
- Survey questions provide 6 response options with different degrees of achievement or strength, which constitute a 6-point scale.

Table 1 shows the categories for maturity and investment readiness.

Table 1. Categories for maturity and investment readiness

Maturity		Investment Readiness	
0	Zero	0	No cost recovery
1	Nascent	1	Minimal cost recovery
2	Immature	2	Moderate cost recovery
3	Developing	3	Almost Investment ready
4	Mature	4	Investment ready
5	Fully mature	5	Strongly investment ready

This summary report is based on two detailed reports which are available on request:

- The full, consolidated SANEMAT analysis (PPT file).
- The report of the raw data from the surveys (anonymised responses) (Word file).

4 Stakeholders included Water Service Providers, Ministry of Water and Environment, Ministry of Health, Ministry of Education and Sports, and KCCA, as well as key non-state actors such as UWASNET, UNICEF, IRC, Water for People, GIZ citizen groups, enterprises, and private sector representatives. The Uganda Bureau of National Statistics (UBOS) was consulted throughout the exercise.

5 https://www.surveymonkey.com/

National Results

This section presents data on the size of the sanitation market and reviews the scores and assesses the market maturity and investment readiness of the sanitation economy for each SANEMAT pillar, and makes recommendations. Annex 1 presents key development indicators for Uganda, and Annex 2 presents a full set of SANEMAT indicator data and scores.

Market size

Current market size

The current size of the sanitation economy is relatively small, although there is no market data that provides a comprehensive picture on all service chain components. The Sanitation and Hygiene Fund's sanitation economy estimates for Uganda total US$5.8 billion annually in 2022. A small share of this value is new toilets, with larger sales potential in biogas, toilet paper and maintenance (see Table 2).

According to Statistica, the Bathroom Hardware market revenue is US$400 million in 2025, or US$7.70 per person. Market data indicate there is a growing demand for eco-friendly and water-saving products. Statistica also values the toilet paper market at US$193 million, or US$3.8 per person. The latter corresponds quite closely to SHF's estimate of US$163 million in 2022.

Table 2. Sanitation economy estimates for Uganda from the SHF

Service Type	Baseline: 2022	Projection: 2025	Projection: 2030	Annual growth (%)
URBAN	**291**	**346**	**431**	**6.0%**
New Toilet Installation	0	20	40	19.0%
Toilet Cleaning Products	93	102	121	3.8%
Repair and Maintenance	196	218	262	4.2%
Soap	3	4	8	21.6%
RURAL	**372**	**447**	**571**	**6.7%**
New Toilet Installation	0	21	43	20.4%
Toilet Cleaning Products	135	149	177	3.9%
Repair and Maintenance	229	264	328	5.4%
Soap	9	13	24	21.7%

Service Type	Baseline: 2022	Projection: 2025	Projection: 2030	Annual growth (%)
RURAL OR URBAN	**5,101**	**6,184**	**8,169**	**7.5%**
Toilet Paper Segment	163	185	217	4.2%
Emptying and Transport	82	103	144	9.6%
Biogas	3,981	4,833	6,400	7.6%
Electricity	131	159	210	7.6%
Protein meal/fly larvae	694	843	1,116	7.6%
Compost created	20	24	32	7.6%
Other*	31	37	49	7.6%
GRAND TOTAL	**5,765**	**6,977**	**9,171**	**7.4%**

Source: Sanitation and Hygiene Fund. Sanitation Economy Estimates - Uganda. 2022.
* Nitrogen, potassium, phosphate, biochar

Future market size

The Sanitation and Hygiene Fund estimates the sanitation economy could grow to US$7 billion in 2025, and US$9.2 billion in 2030 which is an annual growth of 7.4% (see Table 2)[6]. Statistica predicts the Bathroom Hardware market will grow 3% annually until 2029 and Statistica predicts the toilet paper market expects will grow 8.1% annually until 2029.

MOWE's Investment Plan for 2018-2030 estimates the costs of meeting national sanitation targets:

- UGX 14 trillion (US$4.27 billion) for safely managed sanitation, or US$356 million per year.
- UGX 2.9 trillion (US$880 million) for basic sanitation, or US$74 million per year.
- UGX 2.1 trillion (US$640 million) for basic handwashing at home, or US$53 million per year.

Comparing these costs with current spending, basic sanitation will meet 50% of its target and safely managed sanitation will meet 13% of its target by 2030.

Therefore, Uganda has both a significant potential market size and significant future growth.

6 Sanitation and Hygiene Fund. Sanitation Economy Estimates - Uganda. 2022.

Market demand (Pillar 1)

Maturity (rural score 2/5 "immature", urban score 3/5 "developing")

Uganda's sanitation market is gradually maturing, with 9.2 percentage points increase in the past 24 years (0.4 percentage points increase per year), achieved in the face of continued population growth and rural-to-urban population movement. At least basic sanitation coverage is 24%, and is higher in urban (33%) than in rural areas (21%). The major share is considered safely managed sanitation (20% out of 24%). Hence, except in some urban centres, there is weak market maturity because current coverage is about one-quarter the target of universal access, and current sales are considerably less than the potential sales. While awareness on the benefits of sanitation is moderately strong, demand is suppressed due to the lack of affordability in many market segments, leading to an undeveloped market. The faecal sludge emptying and treatment market is particularly underdeveloped, registering 0% nationally, although services are available in some urban areas. The sanitation market is less mature in some rural geographies due to remote populations.

Investment readiness (poor households score 1/5 "minimal cost recovery", non-poor score 4/5 "investment ready")

Sanitation and hygiene awareness and demand have been created in Uganda and a significant shift has occurred from open defecation to improved or shared toilets in rural areas; hence, the market has been primed in many locations of Uganda. However, given the service gap there is still a considerable amount to do to change sanitation and hygiene behaviours and increase demand. These costs could be reduced by the use of social media which currently has a relatively low reach in Uganda, with only 9.5% of the population ≥18 years subscribing to one or more social media platforms.

Uganda's population size and growth indicates a significant potential market for investments, given the need for new or rehabilitated sanitation facilities, especially in urbanizing areas, open defecation hotspots, and institutions. Sanitation investments encompass a diverse set of sub-markets, each with potential (see Table 2). Overall development, urbanization and the youth dividend will increase the demand for sanitation in the medium-term. The market growth potential is potentially 10% per annum, or greater.

Market growth is challenged by poverty and low willingness (and ability) to pay, with greater challenges in low-income urban neighbourhoods (54% of urban areas) and the rural poor (30% of rural population living below national poverty line[7]), for whom basic sanitation and pit emptying fees are not affordable. Over half of unserved households cannot afford a fully priced toilet. Therefore, demand could be stimulated through improved lending conditions.

Uganda's GDP per capita is in the low-income country band, with growth rebounding (3.2% in 2024). A growing middle-income household market exists for sanitation and related products and services, which can help cross-subsidise and expand access for bottom-of-the-pyramid (BOP) markets. There is high property ownership in rural areas (82%) compared to urban areas (43%), which influences a household's ability and interest to invest in sanitation. Whether owners or not, there is a strong need for emptying services for households to avoid rebuilding their toilets.

Recommendations

1. **Conduct regular market assessments.** There is a strong need to better understand the needs, preferences, willingness to pay and current spending for different market segments, and aggregate these to overall current and potential market values. Previous research from Uganda should be used and built upon, such as USAID's "Sanitation for Health value chain and customer segmentation studies". Therefore, it is recommended to conduct regular in-depth studies to assess costs, revenues and return on investment for different market segments. They should be tailored to the needs of sanitation businesses and suppliers to motivate them to invest and help them in decision making.
2. **Develop or refine strategies to reach different market segments.** Once the constraints and opportunities of each market segment are

7 It should be noted that the poverty rate is 60% using the international poverty line for Uganda.

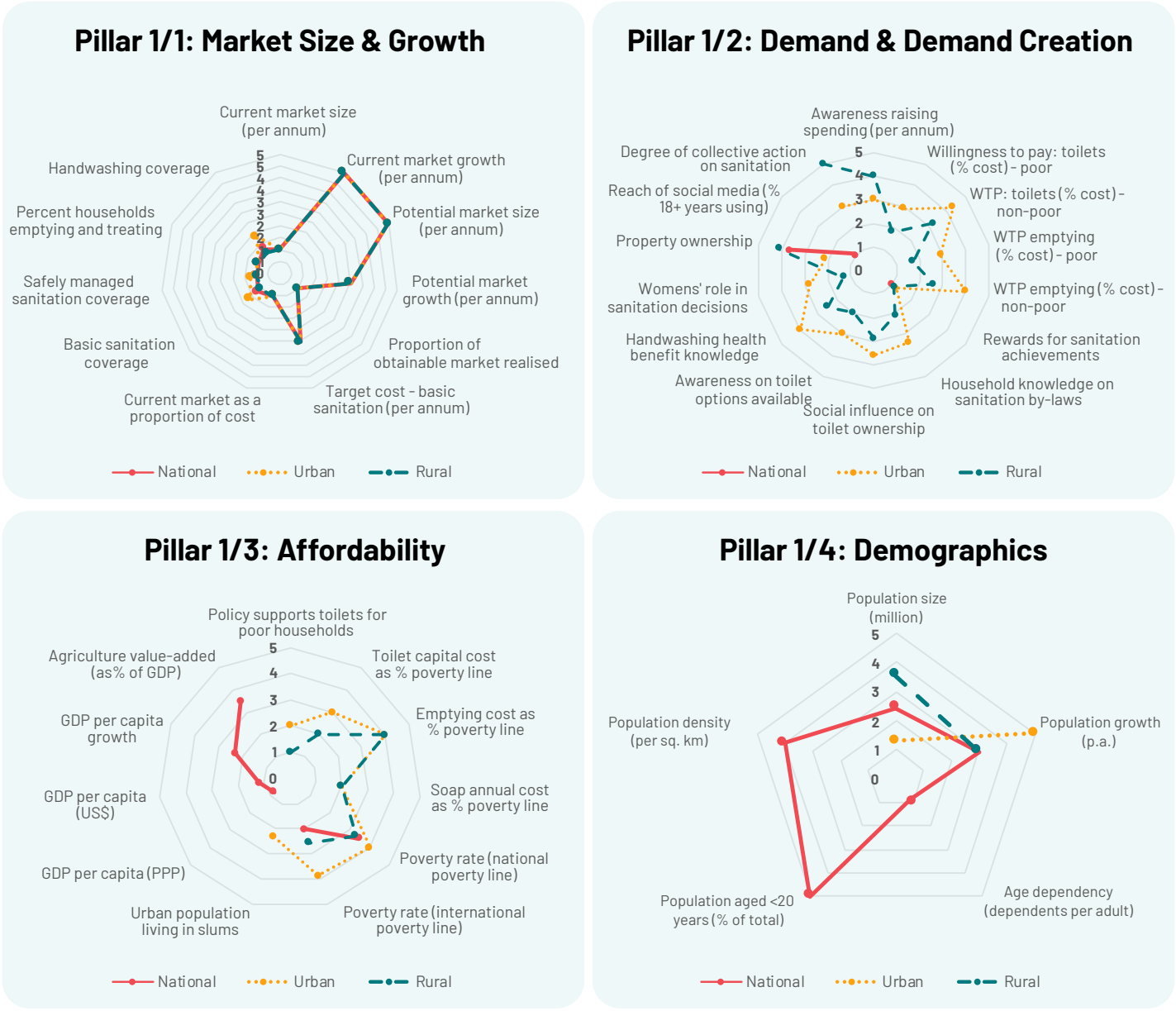
understood (in 1.), specific strategies need to be customised to address the constraints and seize on the opportunities presented.

3. **Reinvigorate national sanitation campaigns.** Increased budgets need to be secured for national campaigns and demand creation activities, drawing on evidence-based cost-effective approaches. They should include conducting innovative social media campaigns and implementing community incentives – both financial and non-financial – to achieve national standards in shifting populations to basic and then safely managed sanitation.

4. **Provide or enhance pro-poor financing mechanisms to leave no one behind.** Weak effective demand in many market segments requires smart subsidies (i.e., well targeted and efficient) to make basic sanitation affordable and to develop pit emptying, treatment and re-use markets. This links to Pillar 3 on pro-poor policies and pillar 5 on public funding.

The need to innovate sanitation services and products is covered under Pillar 2.

Figure 2. Scores out of 5.0 for Pillar 1



Market supply (Pillar 2)

Maturity (rural score from 1/5 "nascent" to 2/5 "immature", urban score from 3/5 "developing" to 5/5 "fully mature")

There are very few large sanitation suppliers in Uganda, aside from Water Service Providers (WSPs) whose services include sanitation (mainly sewerage, but NSS is growing). Sanitation producers and retailers are concentrated in urban centres and some higher income or project locations in rural areas. Innovations with some promise have been developed. Commercial viability exists for the majority of the current market, with adequate margins being made for toilets, septic tanks and emptying services. However, the sanitation market is not commercially mature to enable a scaling up of services in the majority of Uganda, which would require lower prices and greater reach (i.e., geographical availability), given that 28% of the rural population lives at least 2km from an all-season road. Maturity level diminishes across the value chain, from the toilet (where it is greatest) to treatment and reuse (where it is least). The supply chain is weakest outside urban centres.

Investment readiness (toilets from 3/5 "moderate cost recovery" to 5/5 "strongly investment ready"; emptying and treatment from 2/5 "minimal cost recovery" to 4/5 "investment ready")

Due to the major infrastructure deficit for sanitary hardware as well as gaps in emptying and treatment services, there is significant potential for attractive, low-cost products to capture market share and grow the sanitation market in Uganda. Some market segments have potential for expansion through existing supply chains (e.g., toilet pans, detergents, toilet paper, soap). Economies of scale could be achieved through mass production of toilets or toilet parts, thus reducing costs. There are emerging technologies for semi-mechanized emptying, decentralized disposal points as well as treatment for reuse which could reduce costs and generate new income streams, thereby reaching new market segments. Efficient sanitation producers could potentially expand their service or product offer, and even export their products, especially within the East African Community Customs Union. Also, if a sanitation surcharge for NSS by water utilities can be considered, it will help raise resources for service expansion.

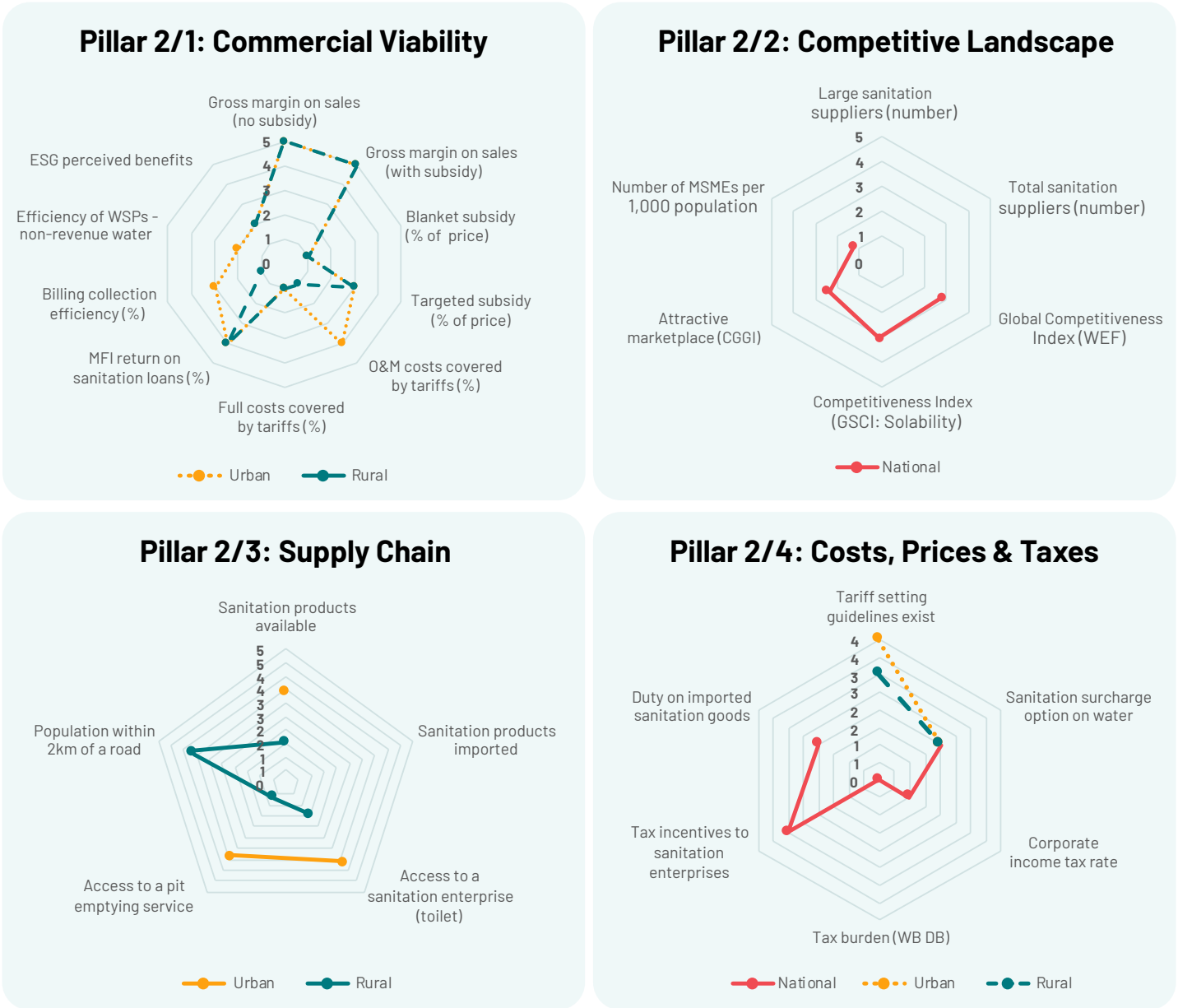
Many sanitation enterprises are currently looking to raise finance, although most enterprises would need improved lending conditions. Overall, a high-cost business environment and long return periods reduces the incentives for sanitation investments and business growth. The challenging conditions to enter the sanitation market means few businesses are able to take on the risks and make the necessary commitments. However, with more favourable market conditions (see Pillar 4), businesses could be attracted to the sanitation market as a long-term strategy.

Recommendations

1. **Maintain an up-to-date listing of sanitation enterprises.** To better understand the market landscape, it is vital to update and maintain a list of sanitation enterprises, their size, their status, and where they operate.
2. **Conduct in-depth exploration of incentives and disincentives for sanitation enterprises.** Building on 1., the pre-conditions and enabling factors for sanitation enterprises to operate and to expand their services need to be better understood and acted upon. The study should explore how sanitation businesses can benefit from the dynamic business environment and business growth in Uganda, and what they require to expand to new customer segments or geographical areas. The sector should learn from case studies where sanitation providers have developed markets in low-income segments or expanded products and services to new locations.
3. **Implement supply chain strengthening.** Explore mechanisms for strengthening the supply chain through increasing the manufacture and availability of low-cost products, and increased stocking of sanitation products in more remote areas. This may require financial incentives to companies operating in more remote areas.

4. **Support product and service innovation.** To stimulate demand and meet latent demand, innovation is needed to provide quality, attractive sanitation solutions at affordable prices for both toilets and pit emptying services. In particular, solutions are needed for low-income urban settlements and poor rural communities. Mechanisms and incentives are needed for private sector actors to develop and implement innovative NSS approaches that are financially viable and reduce the price to the customer across the sanitation service chain.

Figure 3. Scores out of 5.0 for Pillar 2



Policy environment (Pillar 3)

Maturity (score 4/5 "mature")

The policy environment is relatively mature, which provides a solid foundation for making progress on sanitation. National sanitation policies and plans are strong, benefitting from leadership at ministry level although support from senior politicians is limited. National targets for sanitation are ambitious enough to challenge stakeholders to adopt innovative approaches. There are solid legal, private sector & PPP frameworks. Institutional mandates are strong, although somewhat fragmented. Joint review mechanisms, partner coordination, data use and expenditure tracking all support a mature sanitation economy. However, weak progress in sanitation coverage indicates limited success in earlier policies. Distinct regulatory frameworks have been established for two main categories of service provision in towns and Rural Growth Centres (RGCs). Major gaps remain for NSS on surveillance, regulation and data. Uganda lacks distinct policies for the poor to access basic sanitation and it lacks a nationwide subsidy. Uganda scores poorly on global governance indicators, ranking in the bottom third of countries.

Investment readiness (score from 3/5 "moderate cost recovery" to 4/5 "investment ready")

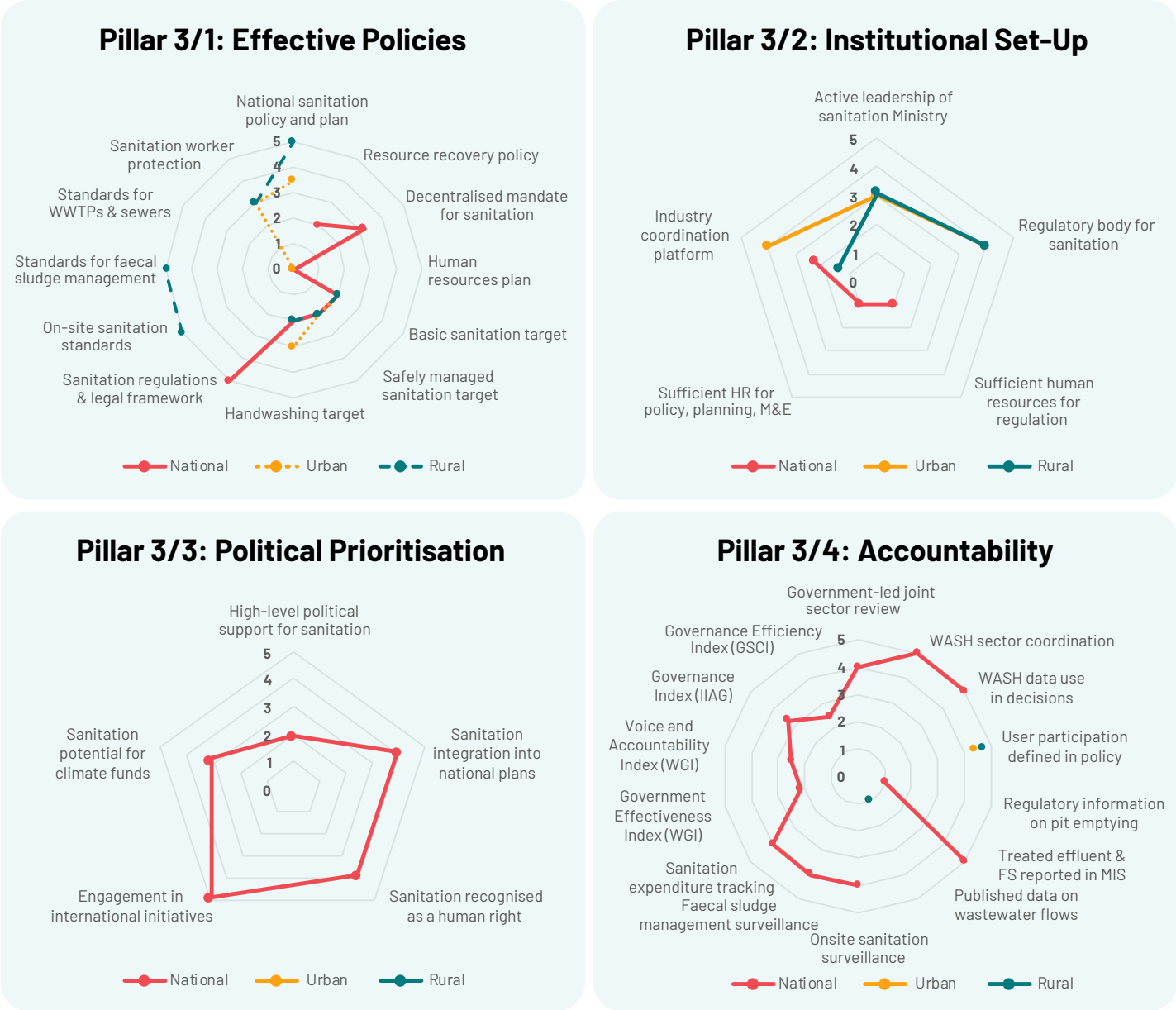
At Ministry level there is momentum for sanitation to get a higher priority, supported by ambitious targets and a rural costed roadmap. The policy and legal environment provides adequate clarity for private sector investment. PPPs are starting to be tested and climate finance offers longer-term perspectives, supported by a relatively strong regulatory environment at district level. However, sanitation lacks the high-level support that it needs to command greater budgets and reassure sanitation investors and businesses that sanitation will be prioritized. Experience with PPPs and climate finance are insufficient to persuade businesses that they are worthwhile (e.g., high transaction costs, complexities and uncertainties). Poor governance constrains the interest of businesses to enter into PPPs. Without public budgets and attractive PPP opportunities, the private sector is unlikely to make major investments. Policy aspects that are absent include human resource capacity and sanitation standards.

Recommendations

1. **Increase political buy-in and financial prioritization for NSS.** To enable the public sector to play its role and to effectively engage the private sector, greater political and financial support is needed for NSS at both national and district levels. Mandated institutions need to have the leadership and technical capacities to properly implement the Integrated Sanitation and Hygiene Financing Strategy 2018-2030, including greater coordination amongst national and subnational actors. Government leadership is needed in developing multi-sectoral national and district sanitation master plans, and this includes the revival of a multi-sectoral coordination mechanism.
2. **Strengthen M&E and research for NSS.** Given the lack of regulatory information on NSS, gaps in indicators need to be closed and surveillance carried out. An integrated sanitation M&E framework is needed that includes NSS indicators. M&E units should be established at national, regional and district levels. Existing data platforms require harmonization to enhance coordination and data integration across the sanitation sector. A national sanitation research agenda is needed to guide R&D activities in sanitation at various levels.
3. **Strengthen governance to make the private sector a more equal partner.** Governance weaknesses that constrain private sector engagement need to be understood, and a plan developed to address them. To support this, a formal and resourced industry coordination platform is needed that is active in sanitation.

Recommendations on regulation and PPPs are covered under Pillar 4.

Figure 4. Scores out of 5.0 for Pillar 3



Business environment (Pillar 4)

Maturity (score 2/5 "immature")

Legal and PPP frameworks exist for businesses to engage in sanitation, while consolidation of different sources is needed to provide greater clarity. There are only few sanitation PPPs too date, with low value. There is a weak project pipeline. Available market facilitation mechanisms suggest some degree of maturity that can be built upon, e.g., accelerator programmes are underway and there is some investment in product innovation. However, few incentives exist for sanitation businesses that are struggling to break even. Market information is variable and can be difficult to source, and business development services come at a cost. While matchmaking platforms and accelerators exist, they are project-based and have limited coverage. There has been a weak uptake of sanitation PPPs, especially in NSS, and human resources capacity to implement PPPs at district level is weak.

Investment readiness (score from 3/5 "moderate cost recovery" to 4/5 "investment ready")

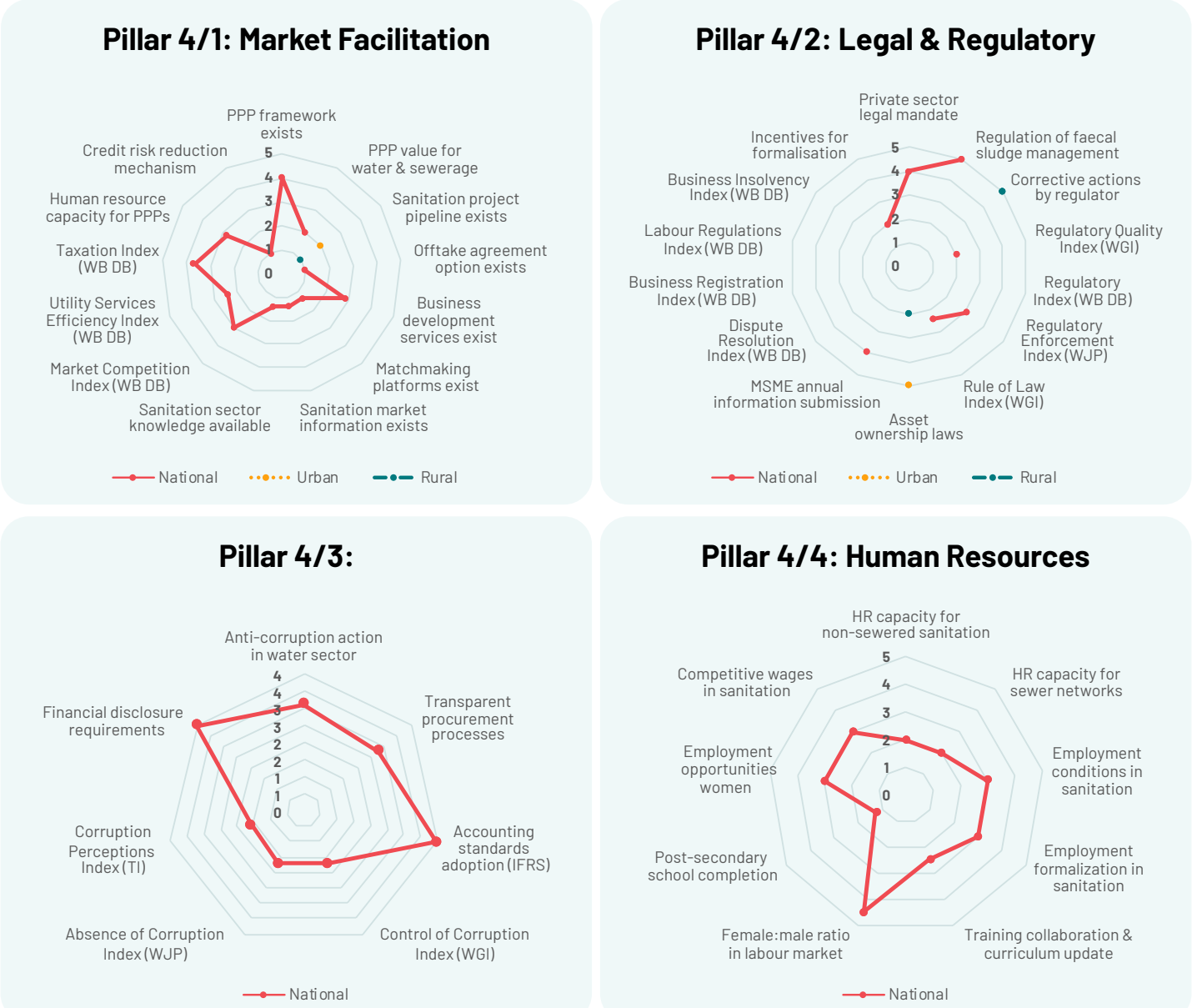
The overall competitive environment is weak in Uganda. Sanitation is largely driven by private investment, with limited technical or financial support from government or development partners. Corrupt practices are widespread and affect investor and business decisions to invest, to operate and to turn a profit. However, broader reach and future successes of the National Anti-Corruption Campaign Steering Committee will likely reduce corrupt practices and spur investment. However, a high-cost business environment reduces the incentives for sanitation investments and business growth. The pipeline of financially viable projects is weak. Market facilitation for sanitation, and NSS specifically, is neither coherent nor well organised. The potential of the private sector is not achieved due to burdensome decision-making processes and transaction costs around company registration, licenses to operate, and PPPs. A large proportion of sanitation service providers operate informally and outside regulatory oversight, often by choice, to avoid compliance costs and procedures. This informality contributes to unsafe working conditions and limits opportunities for professionalization. The sector also faces a weak skills base and limited availability of qualified personnel, particularly in rural areas, constraining the growth and quality of sanitation services. Targeted improvements in business conditions could spur investment in sanitation.

Recommendations

1. **Strengthen regulation for NSS.** An effective national sanitation regulatory body is required to regulate both urban and rural areas. Due to weaknesses in the regulatory framework for NSS, further legislation is required to clarify and enforce regulation. This might include enforcement of sanitation quality standards by promoting certification, monitoring compliance, and eliminating unregulated or low-quality products. Regulations should be appropriate for different sizes and capacities of sanitation enterprises. Multiple licensing and approval processes should be streamlined. The capacity for NSS regulation needs to be developed in national and subnational institutions, with strengthened training centres. Greater sensitization and enforcement of anti-corruption measures are needed, including improved auditing.
2. **Develop and incentivise PPP arrangements.** PPP rules need to be simplified with increased transparency and ease in implementation. Project pipeline development needs strengthening and matchmaking platforms for sanitation deals need support.
3. **Support the development of sanitation businesses.** Market facilitation needs to be institutionalised, with engagement of Ministry of Finance for PPP strengthening and Ministry of Trade and Commerce for business development support. The targeted improvements in business conditions that could spur sanitation businesses and lenders need exploring. Specifically, incentives for sanitation businesses to formalise need to be implemented. The availability of free or low-cost business development services need to be expanded as well as communities of practice instigated to support sanitation MSMEs.
4. **Develop Human Resources for sanitation.** Establish a coordinated process for data-driven human resource planning and development across the sanitation value chain. Beyond mason training, the technical and managerial capacity of utilities, private operators, and NGOs need

to be strengthened to deliver FSM services. In the longer term, incentives should be created to attract and retain young professionals and women in the sanitation workforce. One component of this will be to professionalise and formalise all types of sanitation workers across the sanitation service chain

Figure 5. Scores out of 5.0 for Pillar 4



Finance (Pillar 5)

Maturity (financial systems score 3/5 "developing" and funding score 1/5 "nascent")

Uganda is a low-income economy with a weakly performing financial sector. There remain many lending constraints, among which are high interest rates that severely impact loan uptake for sanitation. The outlook for lending is more positive for businesses and households (if at affordable interest rates) than for public utilities. A high rate of absorption of public funds and ODA signals a functioning PFM system. Public spending on sanitation is very low and a small proportion of the needs. A project pipeline that includes completed designs or approvals is weak and leads to missed investment opportunities.

Investment readiness (score 3/5 "moderate cost recovery")

Sanitation is massively under resourced, and hence from a national development perspective it deserves increased budgets to achieve national targets. Funding is needed to create demand, strengthen toilet markets, buy faecal sludge emptying trucks, and build facilities to treat faecal sludge. There is scope for PPPs to attract private sector investment. While ministries are actively pursuing increased resources for sanitation, its recent success has been limited. There is little prospect for ODA to increase in the near-term.

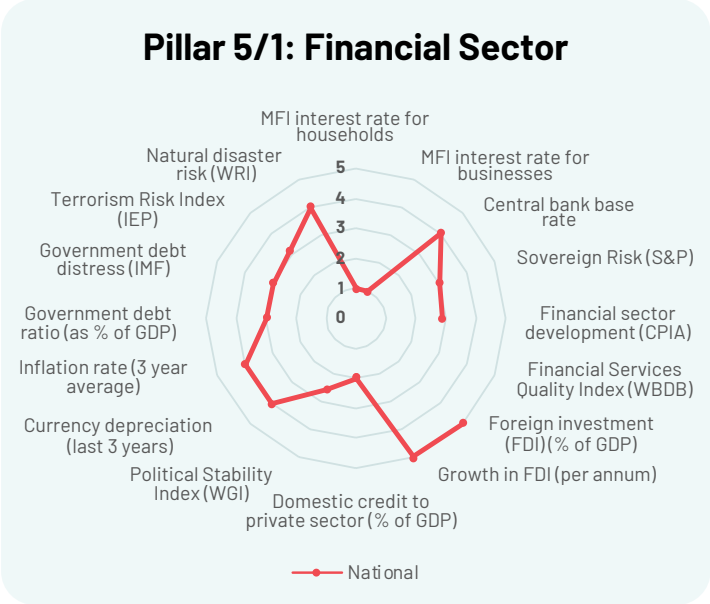
Public financial management is adequate for increased funding, although financial auditing remains weak. The benefits of sanitation are generally well understood by all stakeholders and it is well connected to other sectors (e.g., health, education, climate) to potentially raise finance.

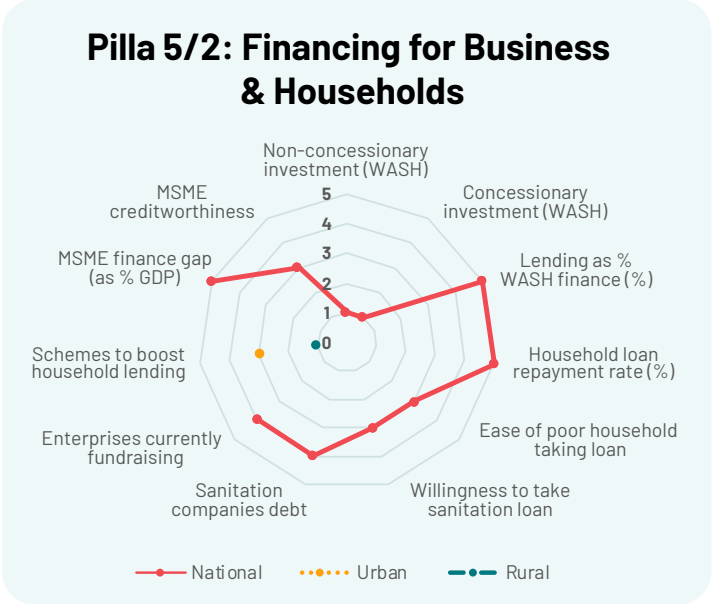
Overall macro-economic performance and ongoing risks and challenges make investment risky in Uganda. Financial schemes are limited to help poor households afford sanitation hardware and services. There is potential for MFIs to lend to new market segments to close the viability gap for poor households, building on recent successes.

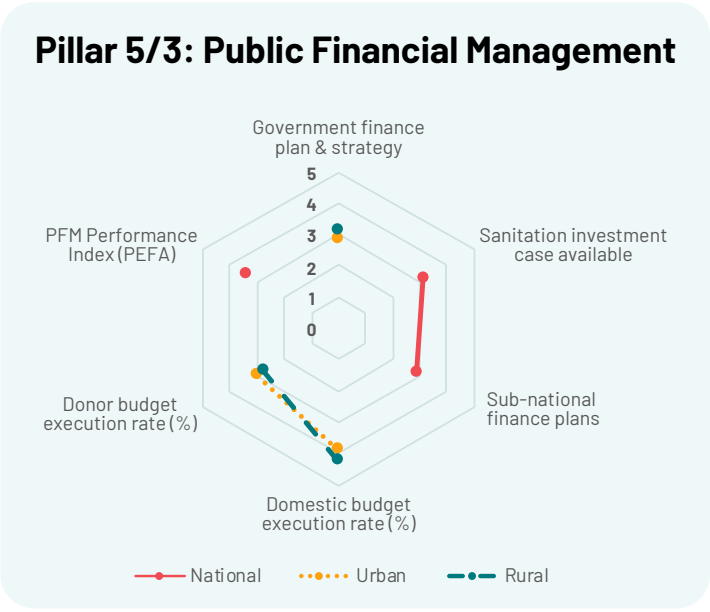
Recommendations:

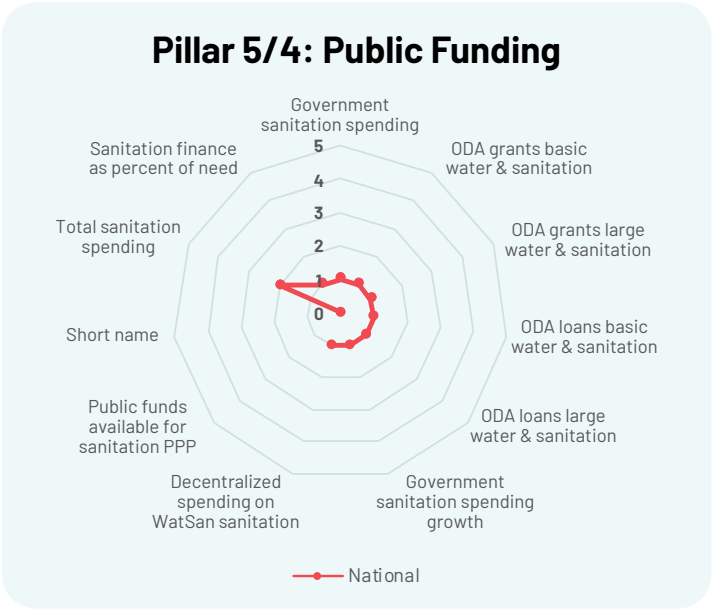
1. **Improve planning & budget implementation capacity.** Public budgets are unlikely to increase while budget execution is poor. Measures therefore need to be taken to ensure public funds, including ODA, are effectively planned and fully utilised in the fiscal year. Improved national-regional-district coordination on investment planning and implementation are needed. Government should establish a clear national framework for sanitation subsidies that specifically targets marginalized and vulnerable populations to ensure equitable access.
2. **Explore potential sources of public funds.** Prepare and implement a resource mobilisation strategy based on an investment plan, covering both national and sub-national levels. Seek to obtain a budget line for NSS and bring greater influence to the budget setting process.
3. **Increase investment by the private sector.** Tariff revision can potentially provide the most resources for improving and expanding sanitation services, thereby attracting the private sector. Hence it is important to establish and implement cost-reflective, equitable, and transparent tariff structures for NSS services. In addition, an up-to-date investment-ready project pipeline should be developed to attract investments, including from Uganda Development Bank Limited (UDBL) who can lend for larger sanitation investments. WSPs and sanitation enterprises should be encouraged to explore taking on responsible levels of debt (with appropriate due diligence) and improve the servicing of existing debt. Additionally, blended financing models combining public funds, concessional finance, and private capital should be explored to de-risk investments and catalyse greater private sector participation. Further engagement is needed with investors to better understand what they need to know or have done to make investments in sanitation.

Figure 6. Scores out of 5.0 for Pillar 5









Market maturity

While there are many angles from which market maturity can be assessed, this section attempts to make a concrete judgement on market maturity using the twin aspects raised in Box 2. Most directly, market maturity is the extent to which demand has been satiated, where high satiation means the market is mature. This is covered in the first 4 indicators in Table 4. Another key aspect of maturity is the extent to which the factors supporting a mature market are present. This is covered in the remaining 20 indicators in Table 4. Rather than categorising these using the five pillars of the SANEMAT framework, these are explored from the aspects of the market demand and market supply pillars.

The maturity indicators in Table 4 indicates there is significant variation between indicator scores, from 1.0 to 4.0 out of a maximum 5.0. The average demand-side score is 1.8/5.0, varying from 1.6 in rural to 2.0 in urban areas. The average supply-side score is higher at 2.9/5.0, varying from 2.3 in rural to 3.3 in urban areas. Overall, the score is 2.3/5.0, ranging from 2.0/5.0 in rural areas to 2.7/5.0 in urban areas. This gives a maturity rating of between 'immature' and 'developing' for rural areas, and between 'developing' and 'mature' for urban areas (refer to Table 1 for categories). Naturally, the average score depends on which indicators are chosen. If instead all the SANEMAT indicators are aggregated and averaged, the scores would be 2.7/5.0 (total), 2.8/5.0 (urban) and 2.5/5.0 (rural). Hence, the total and urban scores are similar to the priority indicators, except for rural where the score is 0.5 points higher when all the indicators are included.

Table 4. Overall maturity assessment

Indicator		**Score (out of 5.0)**		
Reference	**Name**	**National**	**Urban**	**Rural**
1/1-05	Proportion of obtainable market realised	1.0	1.0	1.0
1/1-08	Basic sanitation coverage	1.2	1.7	1.1
1/1-09	Safely managed sanitation coverage	1.0	1.3	1.0
1/1-10	Percent households emptying and treating	1.0	1.0	1.0
1/2-01	Awareness raising spending (per annum)	3.5	3.0	4.0
1/2-02i	Willingness to pay for toilets (% cost) - poor	2.4	2.9	1.8
1/2-03i	WTP emptying (% cost) - poor	2.3	2.9	1.7
1/3-01	Policy supports toilets for poor households	1.5	2.0	1.0
1/3-02	Toilet capital cost as % poverty line	2.5	3.0	2.0
3/3-03	Sanitation recognised as a human right	4.0	4.0	4.0
Demand-side average score		**1.8**	**2.0**	**1.6**
2/1-01	Gross margin on sales (no subsidy)	5.0	5.0	5.0
2/1-07	MFI return on sanitation loans (%)	4.0	4.0	4.0
2/2-02	Total sanitation suppliers (number)	2.5	3.0	2.0

Indicator		Score (out of 5.0)		
2/2-07	Other barriers impeding businesses	3.0	4.0	2.0
2/3-01	Sanitation products available	2.5	3.4	1.5
2/3-03i	Access to a sanitation enterprise (toilet)	2.6	3.7	1.5
2/3-03ii	Access to a pit emptying service	2.1	3.4	0.7
2/4-01	Tariff setting guidelines exist	3.5	4.0	3.0
3/2-02	Regulatory body for sanitation	4.0	4.0	4.0
4/1-01	PPP framework exists	4.0	4.0	4.0
4/2-01	Private sector legal mandate	4.0	4.0	4.0
4/4-01	HR capacity for non-sewered sanitation	2.0	2.0	2.0
5/4-10	Sanitation finance as percent of need	1.0	1.0	1.0
Supply-side average score		**2.9**	**3.3**	**2.3**
Combined average score		**2.3**	**2.7**	**2.0**

Investment readiness

Investment readiness has proven to be more difficult to pinpoint to a selection of indicators, given the relevance of a majority of SANEMAT indicators for investment decisions. Indeed, some indicators work in reverse for investment readiness, such as sanitation coverage: whereas low coverage means low maturity, low coverage in fact indicates potentially high investments needed in infrastructure and behaviour change. Therefore, the assessment of investment readiness has already been provided for each pillar in earlier sections.

A different approach to take which might reveal more about the readiness of the sanitation economy for investment is to take the perspective of different types of investor. Three important investor types are: (a) private investors who are choosing whether to invest in sanitation based on the rate of return and various risks, and if so, which type of investment to make; (b) public investors such as Ministries of Finance or Public Development Banks who want to understand the contribution to economic development, the social rate of return and various risks; and (c) sanitation enterprises, who want to know whether to continue or expand their sanitation business, and if so, in which direction. Tables 5 to 7 therefore show indicative responses to questions that these investors might want to have answered on the performance of the sanitation economy, using a 5-point scale (very weak to very strong).

For private investors, the policy, legal and regulatory environments for the private sector to operate a sanitation business are generally strong, though perhaps more on paper than in practice. There is a major market opportunity for investors if the demand for sanitation can be strengthened in unserved market segments, while there are also opportunities in facility upgrading or renovation and various hygiene products. Commercial viability is stronger in the toilet business, becoming weaker further down the sanitation value chain. The environment for operating a business can be challenging and there are several moderate to major risks which can affect profitability.

Table 5. Answers to private investor questions

Question	Performance
1. What is the legal and regulatory status of the private sector role?	Strong
a. Clear legal mandate for private sector role?	Very strong
b. Clear regulations incentivising private sector role?	Strong
c. Do financial regulations allow for private sector investment?	Strong
2. What is the overall size of the sanitation market for business expansion?	Very strong
3. Do populations demand sanitation?	Moderate
a. What is the potential for increasing demand?	Strong
4. Can a sanitation provider (business) achieve commercial viability?	Strong
a. Toilet market	Strong
b. Emptying and transport	Moderate
c. Treatment	Weak
d. Reuse	Very weak
5. What financial incentives are there for a sanitation enterprise to operate?	Weak
6. What is the extent of overall risks that need to be mitigated?	Moderate
a. Risks related to the country and non-sanitation factors?	Weak
b. Risks related to sanitation factors?	Moderate
7. Is the business environment conducive for enterprises to operate?	Moderate
8. Is the policy environment conducive for enterprises to operate?	Strong
9. Are politicians publicly supportive of sanitation and the private sector?	Moderate

Public investors need to know that their investments are needed and will make a difference, a case that can be made in Uganda given the massive public finance gap (see Table 6). However, not all budgeted funds are spent, hence bottlenecks need to be resolved. Finance is available from various sources, not only national government but also ODA and district government spending – for which some have moderate chances of increasing in the medium-term, with greater potential to allocate funds for PPPs, including climate funds. However, special effort is needed on the part of MOWI and MOH to secure funds. There remains major potential to leverage private investment through market development initiatives.

Table 6. Answers to public investor questions

Question	Performance
1. Finance needed to achieve national sanitation targets?	**Very strong**
2. How well are current budgets for sanitation absorbed and used?	**Moderate**
3. What are the existing sources of finance?	**Moderate**
4. Which finance sources can be increased?	**Moderate**
a. Public investment alone?	**Moderate**
b. Private investment alone?	**Moderate**
c. Public-private partnerships?	**Strong**
5. How much have market development policies been used so far?	**Moderate**
6. How strong are public organizations in securing public funds?	**Weak**
7. To what extent can sanitation mobilise climate finance?	**Weak**

The questions of sanitation enterprises (in Table 7) cover similar ground to investors (in Table 5), but with more specifics on the exact locations where the enterprise may invest and specifics on how profitability can be affected by unexpected cost increases or revenue reductions. The answers to these questions are necessarily very detailed, hence the answers in Table 7 are only indicative. At district level in Uganda, there is some but variable support from local politicians for sanitation. To turn a profit, businesses will need to be smart in choosing the right market segments and being efficient, thus keeping costs to a minimum. However, business costs can be high, which increase with the size and level of formalisation. Small traders have influence over the prices they charge, while the prices of some sanitation services are regulated with periodic inflation adjustment.

Table 7. Answers to sanitation enterprise questions

Question	Performance
1. How conducive is the legal and regulatory environment for investment?	**Strong**
2. Is sanitation promoted by local political and business leaders?	**Moderate**
3. Is the size of the sanitation market an interesting business proposition?	**Very strong**
4. What is the expected financial return on investment?	**Moderate**
5. Do benefits outweigh the costs of formalisation?	**Weak**
6. Are enterprises unlikely to experience other unexpected supply costs?	**Strong**
7. Are enterprises unlikely to experience unexpected revenue reductions?	**Moderate**
8. Are market strengthening measures likely to improve business viability?	**Moderate**

Kabarole District Results

Comparison of District against national performance

Kabarole District is home to a population of 344,500 in 2021, or 0.75% of Uganda's population. The major city is Fort Portal City with about 60,000 population. The district's population growth is 2.3%, which is below the national rate of 2.9%. The average household size (4.0) is also below the national average (4.4). Kabarole's poverty rate of 16% is below the national average of 30%, while Kabarole's urban poverty rate (10.8%) is even lower. The district's unemployment rate of 10% is above the national rate of 2.5%. Less than a third (30.8%) of the district employment is in the agricultural sector compared to the national figure of 66%. Many development indicators score worse than the national average, such as life expectancy (66 versus 68 years), literacy (72% versus 81%), lower secondary school completion (10% versus 23%), and infant mortality rate (46 versus 30 deaths per 1,000 live births). Other differences between Kabarole District and the national level are described by pillar below.

Market demand presents a mixed picture compared to national level with some greater market potential on some indicators, and less on others. Basic water supply is higher in Kabarole compared to the national rates, especially in rural areas, while being slightly higher in Kabarole District for basic sanitation (28% versus 24%). Local stakeholders reflected that the rural WTP for toilets is higher among both the poor and the non-poor than national results, while WTP for pit emptying is lower in Kabarole (<50% the cost for the urban poor and no WTP for the rural poor). Household knowledge on sanitation by-laws is just under 50% (similar to national results), and social influence on toilet ownership is greater in rural (strong) than urban areas (moderate). Awareness on toilet options available is higher than national level and knowledge of the health benefits of handwashing in rural areas is 20 percentage points higher than national level. Property ownership is lower in Kabarole (56.4%) overall compared to 72.8% nationally. Toilet cost as % poverty line is similar to national level (about 15%) while emptying costs are higher in Kabarole District at 7.9% versus <3%. Kabarole's population density is similar to the national level as the district accounts for 0.75% of Uganda's land area.

Market supply presents a positive picture for Kabarole, especially in urban areas. Water service providers collect over 94% of O&M costs in revenues, which is higher than the national average, though with a similar NRW rate. Kabarole has fewer MSMEs at 9 per 1,000 population compared to national rate of 24. Sanitation products are available to 70-89% of the population, and 20-39% of the rural population. Access to a sanitation enterprise for toilets is similar to the national level, while for emptying services in urban areas it is 20-39%, well below the national average of 60-79%. Emptying services are available to <10% of the rural population. The rural population within 2km of an all-season road is lower in Kabarole (30%) than the national rate (72%).

The policy environment is similar in Kabarole District as for the national level, though with some differences. In Kabarole, sanitation receives regular political support from both the Minister and Minister of State for Water and Environment. WASH sector coordination is not led by the local government, but rather it is CSO-led and project based, leading to uncertainties in sustainability and continuity of this mechanism.

The business environment is not significantly different in Kabarole than at national level, although data could not be collected in Kabarole for all SANEMAT indicators. Business development services exist, mainly through CSOs like IRC and Water for People. While human resource capacity for PPPs is moderate at national level, in Kabarole the local capacity is weak. There are ongoing non-sewered PPPs in Fort Portal City with a focus on emptying

services. Some investment in product innovation is ongoing, mainly in the circular economy & reuse (co-composting). To address corruption, there are anti-corruption policies in the water sector, and with moderate action to implement them. There is perceived to be moderate transparency (40-60%) in government procurement processes. To strengthen human resources, there is training available in limited geographies which is free of charge.

Sanitation finance in Kabarole District is similar to the national level, with districts heavily reliant on financial strengths and mechanisms supplied by national level. There is a district-level government finance plan which merges local and national allocations to sanitation, although sub-national allocations are minimal. Annual budgeting is routinely conducted, with service costing in some locations. The investment case for sanitation is outdated, being referred to in 5 to 10-year-old national planning documents. There is a decentralised budget line for sanitation.

Recommendations for district actions

While the national recommendations are largely relevant for Kabarole district, the following recommendations emphase where greater attention is needed:

1. Given the probable lower willingness to pay for emptying and higher relative costs of emptying (to income) in Kabarole, it will be important to ensure sufficient public funds are made available for expanding pit or septic tank emptying services.
2. Special attention is needed to improve the availability of the supply chain for sanitation products in rural areas of Kabarole district, taking into account the remoteness and low access to all-season roads.
3. The leadership of the district water office needs to be strengthened around the coordination of development partners, moving away from project-based coordination.
4. Targets for sanitation achievement need to be strengthened, in line with or surpassing national targets.
5. Increase government capacity to support businesses and expand PPPs, learning from other regions such as Apac and Lota where PPPs for leasing for emptying services have been initiated.
6. To develop human resources capacity, it is important to make more low cost or free training available to staff of sanitation enterprises and to incentivise sanitation careers.
7. Roll out the town sanitation planning (TSP) process developed by Ministry of Water and Environment and GIZ, to help mobilise resources – as a complement to the already existing district masterplan.
8. Define simple district sanitation by-laws (aligned to the Public Health Act) that define responsibilities for containment, emptying, transport and disposal. To implement the by-laws, light enforcement mechanisms need to be defined (e.g., inspections + graduated penalties + incentives), coupled with public education and an accessible complaints channel.
9. Consider the development of a district sanitation enterprise support window that provides support for business registration, guidance on tax related aspects, basic business development services and, where possible, matching targeted sanitation enterprises with available financing and grants.

Conclusions

Drawing on the analysis described above, the conclusion on the performance of the sanitation economy in Uganda is mixed. No single conclusion can be made, given differences between rural and urban areas, between poor and non-poor households or neighbourhoods, and between parts of the sanitation service chain (e.g., toilets versus emptying versus treatment). These represent a myriad of market segments, each with different strengths and weaknesses.

In all market segments, Uganda has a significant potential market growth, leading to a market size several times the current one in less than a decade. Indeed, many factors favour a gradual growth in inward investment (from overseas) as well as domestic market growth, such as population growth, the demographic dividend, GDP growth, tax revenue increases, urbanisation, household income growth, declining poverty rates, a moderately strong financial sector, a strong policy environment, an adequate PFM system, and interest from the private sector.

On the other hand, there are many constraints on sanitation market growth in Uganda, which need to be addressed to unleash the very significant potential of the sanitation economy. These include the low levels of business formalisation, high business costs for formal businesses, weak political support for sanitation, high risks (political, debt, natural disaster), low public spending, high interest rates for borrowing, lack of sanitation project pipeline, limited PPP experience in sanitation, weak regulatory enforcement, weak inward investment, poor governance, weak human resources capacity for NSS, the lack of market viability in many market segments, weak cultural norms in managing faecal sludge, poor M&E and surveillance on NSS, lack of readiness of the government to subsidise sanitation for poor populations, insufficient enterprises specialised in sanitation services, an important share of the rural population not living within 2km of an all-weather road, and some cultural constraints on adopting safely managed sanitation.

While the national assessment using the SANEMAT has been very informative, it is also important to understand the strengths and weaknesses of the sanitation economy at district level and below, to achieve real impact on sanitation coverage. The pilot application of the SANEMAT in Kabarole District can therefore serve as the basis for expanding SANEMAT assessments to additional districts.

To ensure the most impactful, government-led scaling of the SANEMAT in Uganda, it is important to institutionalise its use within a national ministry. This requires aligning it with national sanitation strategies to strengthen policy coherence, resource allocation, and long-term sector impact. The lead ministry will need to work with other ministries and development partners at national and country level to implement the SANEMAT and to effectively implement its recommendations.

As part of SANEMAT roll out, dissemination forums and platforms for the SANEMAT need to be identified and utilised. These may include the national sanitation working group meeting, the Uganda Water week and other sector meetings.

Recommendations

Recommendations are made for each of the five pillars. The priority, cost and responsibility for these actions are provided in Table 8, while noting that these are only indicative.

Table 8. Summary recommendations

Recommendation	Priority[1]	Lead
Overall		
1. Institutionalise the SANEMAT, anchored in government	1	MoH
2. Translate results into policy briefs and investment cases	1	SHF/MoH
3. Identify and utilise dissemination platforms for the SANEMAT	1	MoH
4. Adapt and scale SANEMAT in greater number of counties	1	MoH
Market demand (Pillar 1)		
5. Collect Market Data and conduct regular market assessments	1	MoH/UBOS/MWE
6. Develop/refine strategies to reach different market segments	1	MWE – WURD
7. Reinvigorate national sanitation campaigns	2	MoH/MWE
8. Provide/enhance pro-poor financing mechanisms (LNOB)	3	MoH
Market supply (Pillar 2)		
9. Maintain an up-to-date listing of sanitation enterprises	1	MWE/MoLG
10. Analyse incentives for sanitation enterprises	1	MoT/UIA
11. Implement supply chain strengthening	2	UWASNET/NGOs
12. Support product and service innovation	2	DP's/MWE - ATC
Policy environment (Pillar 3)		
13. Increase political buy-in and financial prioritization	2	MoH/MWE/MoFPED
14. Strengthen M&E and research for NSS	2	Academia
15. Strengthen governance for private sector engagement	3	MWE/MoT/PSFU

Recommendation	Priority[1]	Lead
Business environment (Pillar 4)		
16. Strengthen regulation for NSS	2	MWE – WURD
17. Develop and incentivise PPP arrangements	3	MoFPED
18. Support the development of sanitation businesses	2	MWE / MoT
19. Develop Human Resources for sanitation	2	MoES
Finance (Pillar 5)		
20. Improve planning & budget implementation capacity	3	MoFPED
21. Explore potential sources of public funds	2	MoH/MWE/MoFPED
22. Increase investment by the private sector	2	MoH/MWE

Key: MWE – Ministry of Water and the Environment; WURD – Water Utility Regulation Department; MoH – Ministry of Health; MoT – Ministry of Trade; ATC – Appropriate Technology Centre; PF-WASH – Parliamentary Forum for WASH; MoFPED – Ministry of Finance, Planning and Economic Development; MoES – Ministry of Education and Sports; LNOB – Leave No One Behind. [1] All actions are important, hence priority level is defined in terms of immediacy of action. 1 = immediate; 2 = initiative started within 1 year; 3 = initiative longer term and/or more complex.

Annex 1 – Key Development Statistics (National)

A1.1 Demographic and human development

Indicator	National	Urban	Rural
Population size (million)	45.9	17.0	28.9
Population growth (p.a.)	2.9%	5.1%	2.0%
Land area	241,000 km2 (93,300 sq mi)		
Boundaries length - land and lake	2,729 km and ~400 km		
Human Development Index and rank	0.55 / 1.0 and 160/193 countries		
Children as percent of total population	54.2%		
Average household size (members)	4.4	4.2	4.9
Internet penetration	27.0%		
World Happiness Index and rank	4.37 / 10.0 - 117/143 countries		

Uganda has a large, mainly rural population (63%). By land area, Uganda is Africa's 32nd largest African country, and Africa's 7th most populous African country, making it the 9th most densely populated country in Africa. Uganda shares a border with 5 countries: DRC (877 km), Kenya (814 km), South Sudan (475 km), Tanzania (391 km), and Rwanda (172 km)

Population growth is significantly greater in urban areas, with more than doubling to 39 million urban population by 2050, reflecting 44% of Uganda's total population. Children represent almost 5 out of every 10 Ugandans.

The average household size has remained relatively steady since the 1990s, with a value of 4.8 in 2025.

Uganda has made steady progress on the Human Development Index, achieving a 2.5 percentage points increase since 2015 from 0.525 to 0.55 in 2022. On the World Happiness Index, Uganda's score increased until 2020 (high of 4.64) and declined to 4.372 in 2023, ranking 117th out of 143 countries measured, and comparing to the highest score of 7.4. A growing proportion of the Ugandan population use the internet, with 27% being the latest figure.

A1.2 Economic development

Indicator	National	Urban	Rural
GDP per capita (US$ and PPP)		US$1,072 and I$3,276	
GDP per capita growth (p.a.)		2.4%	
National poverty rate	30%	20%	34%
Child poverty - multidimensional		56.0%	
Gini Index (0 equality; 100 inequality)		42.7%	
Households with state support		23.7%	
Unemployment rate		2.8%	
Inflation rate (av. 3 yr)		5.3%	
Agricultural employment (% of total)		66.0%	
ODA receipts (% GNI)		4.7%	

Poverty rates according to national poverty line remains high at 33%, being significantly higher in rural areas. However, multidimensional child poverty is even higher at 56%. The Gini Index of 42.7 out of 100 indicates Uganda is among the more unequal countries in Africa – ranked 34th (a score of 0.0 denotes full equality), with some variation since the early 2000s.

Uganda is a low-income country with GDP per capita US$1,072, or I$3,276 at PPP values in 2024, and 2.4% annual growth. Unemployment is relatively low at 2.8%, while inflation has been high but is declining again (3-year average 5.3%). Overall, agriculture accounts for 66% of employment, and this rate is significantly higher in rural areas.

ODA receipts – covering grants and loans – account for 4.7% of Gross National Income, down from over 6% in the early 2010s and peaking again at 8.4% in 2022. ODA has averaged over 6% of GNI since 2016.

A1.3 Social development

Indicator	National	Urban	Rural
Literacy rate (15+ years of age)		81%	
Lower secondary school completion		23%	
Fertility rate (children per woman)		4.5	
Gender inequality index (0 = equal)		0.53 / 1.0 - 138/166 countries	
Female headed households		28.3%	
Life expectancy - total & healthy		68.0 years and 57.2 years	
Infant mortality rate		30 deaths per 1,000 live births	

Indicator	National	Urban	Rural
Child stunting and wasting (<5 years)		23.4% and 3.6%	
Basic water coverage	63%	80%	57%
Basic sanitation coverage	24%	33%	21%
Safely managed sanitation coverage	20%	25%	19%
Basic handwashing coverage	25%	37%	20%

Literacy has steadily risen from 70% in 2016 to 81% in 2022, while secondary school attendance is much lower at 23%. On average, a child receives 6.8 years of schooling compared to 11.4 years of expected schooling.

Life expectancy has considerably improved from 49 years in the year 2000 to 68 years in 2022, with 57 years healthy life expectancy compared to 43 years in 2000. Fertility rates have reduced drastically from highs of 7.2 in the early 1970s to 6.8 in 2000 to 4.5 in 2022. Infant mortality rates have declined significantly in recent decades, and since the year 2000 has declined from 87 deaths per 1,000 live births to 30 in 2022. Almost one in four children are stunted.

Access to basic sanitation services has not changed much for the better as have other social indicators in recent decades. Progress has been faster for access to basic water and hygiene. WASH access has had to keep pace with population growth and declining household sizes. Since the year 2000, basic sanitation has increased by 7.6 percentage points from 16.4% to 24.0% in 2024. The rate of progress has been similar across rural and urban areas, and across basic and safely managed sanitation.

Annex 2 – National SANEMAT indicators

PILLAR 1 sub-pillar 1/1		Data Source[1]	Value (rank)			Score - out of 5		
No.	Short name		National	Urban	Rural	National	Urban	Rural
1/1-01	Current market size (per annum)	3	No overall values			1.0	1.0	1.0
1/1-02	Current market growth (per annum)	3	Surveyed firms annual growth 20%-30%			5.0	5.0	5.0
1/1-03	Potential market size (per annum)	1	$5.7 bn	$2.8 bn	$2.9 bn	5.0	5.0	5.0
1/1-04	Potential market growth (per annum)	1	7.4%	7.4%	7.4%	3.0	3.0	3.0
1/1-05	Proportion of obtainable market realised	1,3	No overall values			1.0	1.0	1.0
1/1-06	Target cost - basic sanitation (per annum)	1	$460 mn	$228 mn	$232 mn	3.0	3.0	3.0
1/1-07	Current market as a proportion of cost	1,3	No overall values			1.0	1.0	1.0
1/1-08	Basic sanitation coverage	1	24.0%	33.0%	21.0%	1.2	1.7	1.1
1/1-09	Safely managed sanitation coverage	1	20.0%	25.0%	19.0%	1.0	1.3	1.0
1/1-10	Percent households emptying and treating	1	0.0%	0.0%	0.0%	1.0	1.0	1.0
1/1-11	Handwashing coverage	1	24.6%	36.7%	20.0%	1.2	1.8	1.0
1/1-12	Sales of sanitation products (no.)	1,3	No overall values					

PILLAR 1 sub-pillar 1/2		Data Source	Value (rank)			Score - out of 5		
No.	Short name		National	Urban	Rural	National	Urban	Rural
1/2-01	Awareness raising spending (per annum)	1,2		300-500k	500k-1m		3.0	4.0
1/2-02i	Willingness to pay: toilets (% cost) - poor	2		50-74%	<50%		2.9	1.8
1/2-02ii	WTP: toilets (% cost) - non-poor	2		>100%	50-74%		4.3	3.2
1/2-03i	WTP emptying (% cost) - poor	2		50-74%	<50%		2.9	1.7
1/2-03ii	WTP emptying (% cost) - non-poor	2		>100%	50-74%		4.0	2.6
1/2-04	Rewards for sanitation achievements	1,2	Not in policy, used by some NGOs			1.0	1.2	1.1
1/2-05	Household knowledge on sanitation by-laws	2		~50%	~30%		3.4	2.1
1/2-06	Social influence on toilet ownership	2		Strong	Moderate		3.6	2.9
1/2-07	Awareness on toilet options available	2		40-59%	20-39%		3.0	2.0
1/2-08	Handwashing health benefit knowledge	2		60-79%	20-39%		4.0	2.5
1/2-09	Womens' role in sanitation decisions	2		Moderate	Limited		2.8	1.3
1/2-10	Property ownership	1	72.8%	42.8%	82.5%	3.6	2.1	4.1
1/2-11	Reach of social media (% 18+ years using)	1	9.5%	-	-	1.0		
1/2-12	Degree of collective action on sanitation	1		Weak	Strong		3.0	5.0
1/2-13	History of subsidized toilets	1	No	No	No			

PILLAR 1 sub-pillar 1/3		Data Source	Value			Score - out of 5		
No.	Short name		National	Urban	Rural	National	Urban	Rural
1/3-01	Policy supports toilets for poor households	1	-	Plan&scheme	Plan only		2.0	1.0
1/3-02	Toilet capital cost as % poverty line	1	-	14.9%	12.8%		3.0	2.0
1/3-03	Emptying cost as % poverty line	1	-	2.2%	2.6%		4.0	4.0
1/3-04	Soap annual cost as % poverty line	1	-	1.24%	1.0%		2.0	2.0
1/3-05	Poverty rate (national poverty line)	1	30.10%	19.8%	33.8%	3.5	4.0	3.3
1/3-06	Poverty rate (international poverty line)	1	59.80%	23.0%	49.0%	2.0	3.9	2.6
1/3-07	Urban population living in slums	1		54.0%			2.3	
1/3-08	GDP per capita (PPP)	1	$3,276	-	-	0.8		
1/3-09	GDP per capita (US$)	1	$1,072	-	-	1.2		
1/3-10	GDP per capita growth	1	2.4%	-	-	2.3		
1/3-11	Agriculture value-added (as % of GDP)	1	-	-	70%	3.5		

PILLAR 1 sub-pillar 1/4		Data Source	Value			Score - out of 5		
No.	Short name		National	Urban	Rural	National	Urban	Rural
1/4-01	Population size (million)	1	45.9	17.0	28.9	2.4	1.3	3.6
1/4-02	Population growth (p.a.)	1	2.9%	5.1%	2.0%	3.0	5.0	3.0
1/4-03	Age dependency (dependents per adult)	1	84.3%			1.0		
1/4-04	Population aged <20 years (% of total)	1	54.5%			5.0		
1/4-05	Population density (per sq. km)	1	257			4.0		

PILLAR 2 sub-pillar 2/1		Data Source	Value			Score - out of 5		
No.	Short name		National	Urban	Rural	National	Urban	Rural
2/1-01	Gross margin on sales (no subsidy)	3	15% to 66%				5.0	5.0
2/1-02	Gross margin on sales (with subsidy)	3	15% to 66%				5.0	5.0
2/1-03	Blanket subsidy (% of price)	3	Minority toilet products only				1.0	1.0
2/1-04	Targeted subsidy (% of price)	3	Half toilet producers & emptiers				3.0	3.0
2/1-05	O&M costs covered by tariffs (%)	1		80-99%	<50%		4.0	1.0
2/1-06	Full costs covered by tariffs (%)	3		<50%	<50%		1.0	1.0
2/1-07	MFI return on sanitation loans (%)	4		>8%	>8%		4.0	4.0
2/1-08	Billing collection efficiency (%)	1		87%	35%		3.0	1.0
2/1-09	Efficiency of WSPs - non-revenue water	1		38%			2.0	
2/1-10	ESG perceived benefits	3	Mixed responses - some ESG benefits				2.0	2.0

PILLAR 2 sub-pillar 2/2		Data Source	Value			Score - out of 5		
No.	Short name		National	Urban	Rural	National	Urban	Rural
2/2-01	Large sanitation suppliers (number)	1,3	Not known	Not known	Not known			
2/2-02	Total sanitation suppliers (number)	1,3	Not known	Not known	Not known			
2/2-03	Global Competitiveness Index (WEF)	1	49%	-	-	2.9		
2/2-04	Competitiveness Index (GSCI: Solability)	1	38%	-	-	3.1		
2/2-05	Attractive marketplace (CGGI)	1	45%			2.4		
2/2-06	Number of MSMEs per 1,000 population	1	24	-	-	1.2		
2/2-07	Other barriers impeding businesses	2,3	Several barriers to setting up & expanding					
2/2-08	Business interest in support initiatives	2,3	Several accelerators and associations					

PILLAR 2 sub-pillar 2/3		Data Source	Value (rank)			Score - out of 5		
No.	Short name		National	Urban	Rural	National	Urban	Rural
2/3-01	Sanitation products available	2		40-69%	<20%		3.4	1.5
2/3-02	Sanitation products imported	1,3	Weak growth					
2/3-03i	Access to a sanitation enterprise (toilet)	2		60-79%	10-19%		3.7	1.5
2/3-03ii	Access to a pit emptying service	2		60-79%	<10%		3.4	0.7
2/3-04	Population within 2km of a road	1		100%	72%			3.6
2/3-05	Constraints in aggregate materials	3	None exists	None exists	None exists			

PILLAR 2 sub-pillar 2/4		Data Source	Value (rank)			Score - out of 5		
No.	Short name		National	Urban	Rural	National	Urban	Rural
2/4-01	Tariff setting guidelines exist	1		Every 5 yrs	Irregular		4.0	3.0
2/4-02	Sanitation surcharge option on water	2,3	Sewerage surcharge but not yet for NSS			2.0	2.0	2.0
2/4-03	Corporate income tax rate	1	30%			1.0		
2/4-04	Tax burden (WB DB)	1	Due 2026			Due 2026		
2/4-05	Tax incentives to sanitation enterprises	3	Credit and tax incentives selectively used			3.0		
2/4-06	Duty on imported sanitation goods	1	25%			2.0		
2/4-07	Unit cost of basic toilet (minimum)	1,3			$210			
2/4-08	Prices charged for toilets	3	Highly variable, depending on product					

PILLAR 3 sub-pillar 3/1		Data Source	Value (rank)			Score - out of 5		
No.	Short name		National	Urban	Rural	National	Urban	Rural
3/1-01	National sanitation policy and plan	1		1.66 / 2.0	2.0 / 2.0		3.5	5.0
3/1-02	Resource recovery policy	2	Covered in NDC document, not policy			2.0		
3/1-03	Decentralised mandate for sanitation	2	Decentralisation policy lacks resources			3.2		
3/1-04	Human resources plan	1	0.0 / 5.0			0.0		
3/1-05	Basic sanitation target	1	40%	50%	40%	2.0	2.0	2.0
3/1-06	Safely managed sanitation target	1	40%	50%	40%	2.0	2.0	2.0
3/1-07	Handwashing target	1	50%	56%	45%	2.0	3.0	2.0
3/1-08	Sanitation regulations & legal framework	1	3.0 / 3.0			5.0		
3/1-09	On-site sanitation standards	1			1.0 / 1.0			5.0
3/1-10	Standards for faecal sludge management	1			1.0 / 1.0			5.0
3/1-11	Standards for WWTPs & sewers	1		0.0 / 1.0			0.0	
3/1-12	Sanitation worker protection	1		0.5 / 1.0	0.5 / 1.0		3.0	3.0

PILLAR 3 sub-pillar 3/3		Data Source	Value			Score - out of 5		
No.	Short name		National	Urban	Rural	National	Urban	Rural
3/2-01	Active leadership of sanitation Ministry	2	Clear leadership, strong on basic sanitation				3.0	3.1
3/2-02	Regulatory body for sanitation	1		4.0 / 5.0	4.0 / 5.0		4.0	4.0
3/2-03	Sufficient human resources for regulation	1	0.0 / 1.0			1.0		
3/2-04	Sufficient HR for policy, planning, M&E	1	0.0 / 1.0			1.0		
3/2-05	Industry coordination platform	2,3	Platforms exist and are somewhat active			2.3	4.0	1.4
3/2-06	Models for business engagement	3	Several PPP models, more in urban areas					

PILLAR 3 sub-pillar 3/3		Data Source	Value			Score - out of 5		
No.	Short name		National	Urban	Rural	National	Urban	Rural
3/3-01	High-level political support for sanitation	2	Weak champion from top of government			1.8		
3/3-02	Sanitation integration into national plans	1	Yes, in NDC and NDPIII			4.0		
3/3-03	Sanitation recognised as a human right	1	Yes, with some examples of being used			4.0		
3/3-04	Engagement in international initiatives	1	Strong engagement in several			5.0		
3/3-05	Sanitation potential for climate funds	2	Climate angle being used, limited results			3.1		
3/3-06	Major new sanitation projects	1	No major sanitation projects in pipeline					
PILLAR 3 sub-pillar 3/4		Data Source	Value			Score - out of 5		
No.	Short name		National	Urban	Rural	National	Urban	Rural
3/4-01	Government-led joint sector review	1	4.0 / 5.0			4.0		
3/4-02	WASH sector coordination	1	5.0 / 5.0			5.0		
3/4-03	WASH data use in decisions	1	2.0 / 2.0			5.0		
3/4-04	User participation defined in policy	1		4.4 / 5.0	4.7 / 5.0		4.4	4.7
3/4-05	Regulatory information on pit emptying	1	0.0 / 1.0			1.0		
3/4-06	Treated effluent & FS reported in MIS	1	1.0 / 1.0			5.0		
3/4-07	Published data on wastewater flows	1		0.0 / 1.0	0.0 / 1.0		1.0	1.0
3/4-08	Onsite sanitation surveillance	1	2.5 / 3.0			4.0		
3/4-09	Faecal sludge management surveillance	1	3.0 / 4.0			4.0		
3/4-10	Sanitation expenditure tracking	1	2.0 / 3.0			4.0		
3/4-11	Government Effectiveness Index (WGI)	1	-0.55			2.2		

3/4-12	Voice and Accountability Index (WGI)	1	-0.70			2.5			
3/4-13	Governance Index (IIAG)	1	49.1%			3.3			
3/4-14	Governance Efficiency Index (GSCI)	1	34.6%			2.4			
PILLAR 4 sub-pillar 4/1		Data Source	Value (rank)			Score - out of 5			
No.	Short name		National	Urban	Rural	National	Urban	Rural	
4/1-01	PPP framework exists	1	PPP Policy and PPP Act exist			4.0			
4/1-02	PPP value for water & sewerage	3	No value available - expected to be minimal			2.0			
4/1-03	Sanitation project pipeline exists	3	Limited data - 1 PPP project				2.0	1.0	
4/1-04	Offtake agreement option exists	2,3	None exists			1.0			
4/1-05	Business development services exist	2,3	Several accelerators are active			2.8			
4/1-06	Matchmaking platforms exist	2,3	One-off events, some follow-up			1.3			
4/1-07	Sanitation market information exists	2,3	Variable information, some free			1.4			
4/1-08	Sanitation sector knowledge available	3	Moderate knowledge, somewhat useful			1.4			
4/1-09	Market Competition Index (WB DB)	1	Due 2026			3.0			
4/1-10	Utility Services Efficiency Index (WB DB)	1	Due 2026			2.4			
4/1-11	Taxation Index (WB DB)	1	Due 2026			3.7			
4/1-12	Human resource capacity for PPPs	2	Moderate national, weak local capacity			2.8			
4/1-13	Credit risk reduction mechanism	3	No mechanism applied across lenders			1.0			
4/1-14	Number of ongoing non-sewered PPPs	2,3	Several truck leasing schemes (urban)						
4/1-15	Other sanitation business incentives	2,3	Some: credit facilities, import tax exempt						
4/1-16	Investment in product innovation	2,3	Yes, mainly in circular economy & reuse						

4/1-17	International language facilitation	1	Yes	Yes	Yes			
4/1-18	Platform private sector exchange & voice	3	Private Sector Foundation of Uganda					
PILLAR 4 sub-pillar 4/2		Data Source	Value			Score - out of 5		
No.	Short name		National	Urban	Rural	National	Urban	Rural
4/2-01	Private sector legal mandate	1	Yes			4.0		
4/2-02	Regulation of faecal sludge management	1	2.0 / 2.0			5.0		
4/2-03	Corrective actions by regulator	1		1.0 / 1.0	1.0 / 1.0		5.0	5.0
4/2-04	Regulatory Quality Index (WGI)	1	-0.52 / 2.5			2.1		
4/2-05	Regulatory Index (WB DB)	1	Due 2026					
4/2-06	Regulatory Enforcement Index (WJP)	1	43%			3.1		
4/2-07	Rule of Law Index (WGI)	1	-0.47 / 2.5			2.4		
4/2-08	Asset ownership laws	3		NWSC owns	Diverse		5.0	2.0
4/2-09	MSME annual information submission	3	Majority			4.0		
4/2-10	Dispute Resolution Index (WB DB)	1	Due 2026					
4/2-11	Business Registration Index (WB DB)	1	Due 2026					
4/2-12	Labour Regulations Index (WB DB)	1	Due 2026					
4/2-13	Business Insolvency Index (WB DB)	1	Due 2026					
4/2-14	Incentives for formalisation	1	Weak			2.0		
4/2-15	MSME regional trade provisions	1	COMESA (1994) and EAC (2000)					

PILLAR 4 sub-pillar 4/3		Data Source	Value			Score - out of 5		
No.	Short name		National	Urban	Rural	National	Urban	Rural
4/3-01	Anti-corruption action in water sector	2	Policies exist, limited implementation			3.1		
4/3-02	Transparent procurement processes	2,3	Policy but low-medium transp.			2.8		
4/3-03	Accounting standards adoption (IFRS)	3	Largely adopted, not all SMEs			4.0		
4/3-04	Control of Corruption Index (WGI)	1	-1.04 / 2.5			1.7		
4/3-05	Absence of Corruption Index (WJP)	1	27%			1.7		
4/3-06	Corruption Perceptions Index (TI)	1	26%			1.6		
4/3-07	Financial disclosure requirements	3	High degree of disclosure			4.0		
PILLAR 4 sub-pillar 4/4		Data Source	Value			Score - out of 5		
No.	Short name		National	Urban	Rural	National	Urban	Rural
4/4-01	HR capacity for non-sewered sanitation	1	0.5 / 1.0			2.0		
4/4-02	HR capacity for sewer networks	1	0.5 / 1.0			2.0		
4/4-03	Employment conditions in sanitation	1	0.5 / 1.0			3.0		
4/4-04	Employment formalization in sanitation	1	0.5 /1.0			3.0		
4/4-05	Training collaboration & curriculum update	1	In limited geographies, some fee-paying			2.5		
4/4-06	Female:male ratio in labour market	1	89%			4.5		
4/4-07	Post-secondary school completion	1	13%			1.3		
4/4-08	Employment opportunities women	3	30% enterprise workforce is female			3.0		
4/4-09	Competitive wages in sanitation	3	>50% enterprises report inadequate wages			3.0		

PILLAR 5 sub-pillar 5/1		Data Source	Value			Score - out of 5		
No.	Short name		National	Urban	Rural	National	Urban	Rural
5/1-01	MFI interest rate for households	4	Mostly 1-2% /month, capped at 33.6%			1.0	1.0	1.0
5/1-02	MFI interest rate for businesses	4	Mostly 1-2% /month, capped at 33.6%			1.0	1.0	1.0
5/1-03	Central bank base rate	1	9.75%			4.0		
5/1-04	Sovereign Risk (S&P)	1	B- long term			3.0		
5/1-05	Financial sector development (CPIA)	1	3.5 / 6.0			2.9		
5/1-06	Financial Services Quality Index (WB DB)	1	Due 2026					
5/1-07	Foreign investment (FDI) (% of GDP)	1	6.13%			5.0		
5/1-08	Growth in FDI (per annum)	1	50%			5.0		
5/1-09	Domestic credit to private sector (% of GDP)	1	14.70%			2.0		
5/1-10	Political Stability Index (WGI)	1	-0.7 / 2.50			2.6		
5/1-11	Currency depreciation (last 3 years)	1	95%			4.0		
5/1-12	Inflation rate (3 year average)	1	5.30%			4.0		
5/1-13	Government debt ratio (as % of GDP)	1	51.00%			3.0		
5/1-14	Government debt distress (IMF)	1	Moderate risk			3.0		
5/1-15	Terrorism Risk Index (IEP)	1	3.7 / 10.0	Downward		3.2		
5/1-16	Natural disaster risk (WRI)	1	2.8 (low risk)			4.0		
5/1-17	Government payment risk	3	Moderate risk					
5/1-18	Venture capital value	3	US$97m					
5/1-19	Option to manage macro-economic risk	3	Limited					

PILLAR 5 sub-pillar 5/2		Data Source	Value			Score - out of 5		
No.	Short name		National	Urban	Rural	National	Urban	Rural
5/2-01	Non-concessionary investment (WASH)	3	Pending WASH accounts					
5/2-02	Concessionary investment (WASH)	3	Pending WASH accounts					
5/2-03	Lending as % WASH finance (%)	3	Pending WASH accounts					
5/2-04	Household loan repayment rate (%)	3	95-100%			5.0		
5/2-05	Ease of poor household taking loan	4	Easier from MFIs but high interest rates			3.0		
5/2-06	Willingness to take sanitation loan	4	Highly variable - some are willing			3.0		
5/2-07	Sanitation companies debt	3	5/13 enterprises hold debt			4.0		
5/2-08	Enterprises currently fundraising	3	6/13 enterprises are fundraising			4.0		
5/2-09	Schemes to boost household lending	1		0.5 / 1.0	0.0 / 1.0		3.0	1.0
5/2-10	MSME finance gap (as % GDP)	1	26%			5.0		
5/2-11	MSME creditworthiness	3	Lack of reporting, vary by provider size			3.0		
5/2-12	Sanitation loan average value	3	Average loan UGX 93 million (US$ 26,000)					
5/2-13	Sanitation company exits	2	One large emptying firm exited market					
5/2-14	Client service for sanitation loans	3	6/13 enterprises say lenders tailor product					
5/2-15	Loan options for women	4	Two-thirds of banks/MFIs target women					

PILLAR 5 sub-pillar 5/3		Data Source	Value			Score - out of 5		
No.	Short name		National	Urban	Rural	National	Urban	Rural
5/3-01	Government finance plan & strategy	1		0.5 / 1.0	0.5 / 1.0		2.8	3.1
5/3-02	Sanitation investment case available	2	Recently made though weak evidence			3.1		
5/3-03	Sub-national finance plans	2	Plans are costed w/ some finance analysis			2.9		

5/3-04	Domestic budget execution rate (%)	1		78%	85%		3.9	4.3
5/3-05	Donor budget execution rate (%)	1		60%	55%		3.0	2.8
5/3-06	PFM Performance Index (PEFA)	1	2.71 / 4.0			3.4		
5/3-07	Donor alignment national budgets & plans	1	3.5 / 5.0			3.5		
5/3-08	Decentralized budget line for sanitation	1	Yes					
5/3-09	Budget line for non-sewered sanitation	2	Exp. ceilings communicated, not for NSS					
5/3-10	Policy clarity in who pays for sanitation	2	Overall clarity, less for poor people & NSS					
5/3-11	Budget allocation non-sewered sanitation	2	No					
PILLAR 5 sub-pillar 5/4		Data Source	Value			Score - out of 5		
No.	Short name		National	Per capita		National	Urban	Rural
5/4-02	Government sanitation spending	1	US$4.3m	$0.1		1.0		
5/4-03	ODA grants basic water & sanitation	1	US$2.0m	$0.042		1.0		
5/4-04	ODA grants large water & sanitation	1	US$1.6m	$0.04		1.0		
5/4-05	ODA loans basic water & sanitation	1	$0.0	$0.0		1.0		
5/4-06	ODA loans large water & sanitation	1	US$57m	$1.25		1.0		
5/4-07	Government sanitation spending growth	1	0%			3.0		
5/4-08	Decentralized spending on WatSan sanitation	1	$0.4 m	$0.0		1.0		
5/4-09	Public funds available for sanitation PPP	2	Selected geographies (urban)					
			National	Urban	Rural			
5/4-01	Total sanitation spending	1	UGX 22 bn	UGX 14.4 bn	UGX 7.6 bn	1.0	1.0	1.0
5/4-10	Sanitation finance as percent of need	1	17.3%	16.0%	19.7%	1.0	1.0	1.0

1 Global data sets and reports; 2: SANEMAT stakeholder survey; 3: SANEMAT enterprise survey; 4: SANEMAT MFI and bank survey.

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